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## NATO Fixes Targets for Air Strikes Against Serbs

By Craig R. Whitney  
New York Times Service

BRUSSELS—NATO on Monday approved procedures and targets for air strikes against Serbian forces, should they keep up their "strangulation" of Sarajevo, but the allies said they would not start bombing missions without specific approval by the secretary-general of the United Nations.

Although the North Atlantic Treaty Organization already has in place airplanes and coordination procedures with UN peacekeeping forces in Bosnia-Herzegovina, officials said the bombers would not go into action unless the Serbs kept tightening the noose around Sarajevo and other besieged areas, and then only after all 16 allies had met in Brussels again to approve.

Clinton administration officials who had urged the allies to act on their own initiative and had tried to minimize the extent of UN control over possible NATO military action, insisted that Monday's agreement was a success. It reiterated but in some ways also qualified a threat the United States persuaded the allies to make Aug. 3.

"Now it is up to the Serbs whether the air strikes will occur," said Stephen Oxman, U.S. assistant secretary of state for European and Canadian affairs. "We are ready to act."

"It is essential that the Bosnian Serbs lift without delay the siege of Sarajevo," NATO's secretary-general, Manfred Wörner, said after the meeting Monday. "If not, the Council will meet immediately to consider the use of air power."

The statement also said that Serbian-occupied heights around the Bosnian capital had to be put under UN control.

"The principal and basic objectives of the United States have been reached to an extent some might have believed impossible originally," Mr. Wörner said. "Some compromises had to be made."

Other officials said the United States had recognized this and had pushed a decision through in only four hours by taking French, British, and Canadian objections to more forceful action into account and presenting a new proposal as a joint draft.

Britain, France, Spain and other European allies—unlike the United States—have thousands of soldiers in the UN force in Bosnia and are worried about bombing errors, as well as



Prime Minister Morihiro Hosokawa sharing a toast with members of his new cabinet in Tokyo on Monday. From left are Tsutomu Hata, the foreign minister; Mr. Hosokawa; Sadao Yamahana, minister for political reform; Koshiro Ishida, state minister for management and coordination, and Masayoshi Takemura, chief cabinet secretary.

## New Japanese Cabinet, Same Economic Script

By Steven Brull  
International Herald Tribune

TOKYO—No opening of the rice market. No caving in to American demands for trade targets. No cutting income taxes to breathe life into the stagnant economy.

While the names are new, the first comments from the cabinet ministers in charge of Japanese economic policy sound remarkably similar to those of the Liberal Democratic Party officials who have just been ousted from power after 38 years.

In fact, the men appointed Monday by Prime Minister Morihiro Hosokawa to direct the Finance Ministry and the Ministry of International Trade and Industry are both former Liberal Democrats who began their careers as bureaucrats in the ministries they now lead.

Mr. Hosokawa named Hirohisa Fujii, 61, to head the Finance Ministry and Hiroshi Kumagai, 53, to lead the trade ministry.

"The faces have changed, but policy and policy-making is likely to follow established conservative patterns," said Jasper Koll, economist at S.G. Warburg Securities.

The governing coalition has expressed a commitment to reform politics by making it more representative and free of corruption.

And Mr. Hosokawa's cabinet is the most diverse in Japan's postwar history, including representatives from seven parties. Three of the 20 appointees are women. (Page 9)

But in economic policy, the new government stressed continuity and stability in its choice of cabinet members for the main ministries. The appointments reflected a desire to avoid conflict with bureaucrats at economic See JAPAN, Page 13

## Kohl Doubts Timetable for Single EC Currency

By Ferdinand Proizman  
New York Times Service

BONN—Chancellor Helmut Kohl cast doubt Monday on the European Community's timetable for creating a single currency by 1999, saying strict adherence to the economic criteria laid down in the Maastricht Treaty on European Union might delay the process by a year or two.

It marked the first time the head of a European Community nation has said publicly that the timetable for monetary union might not be kept. But Mr. Kohl stressed that Germany's commitment to the goal of European union remained unchanged. The chancellor made his remarks in an interview with Germany's SAT-1 television network.

Mr. Kohl also made his first public comment on last week's currency crisis, which pitted seven of the nine currencies in the European Community's exchange-rate mechanism being effectively allowed to float in a broad range against the Deutsche mark. France, whose currency was the target of speculative selling that sparked the crisis, began to try its new freedom to cut interest rates on Monday. (Page 9)

The chancellor praised Germany's handling of the crisis and said the real problem underlying the turmoil in the foreign-exchange market was the failure of the EC nations to put their public finances in order.

To do that, he called for rigid adherence to the so-called convergence criteria laid down in the Maastricht treaty, which calls for creation of a single currency by 1999. The criteria require the 12 EC nations to harmonize their budget deficits, inflation rates, public-sector debt and other economic indicators at specific levels as a precondition for monetary union.

"We must not on account ease the very strict conditions for national economies, for the budget and debt situation, but must maintain the strict measures and commitments of the Maastricht treaty," Mr. Kohl said.

Mr. Kohl said that if adhering to the criteria means that "the timetable now envisaged is delayed by one or two years — and I don't know this, nobody knows this — then I ask, what does that change in the basic course?"

Economists agreed that even before the crisis, it had become increasingly apparent that the timetable for monetary union would have to be extended.

"Delaying the timetable has been in the cards for some time now," said J. Paul Horne, international economist with Smith Barney Shearson in Paris. "If the timetable is changed, then the process gains credibility. But if you loosen the criteria, then things begin to get all fuzzy and monetary union is threatened."

According to Mr. Kohl, Germany's commitment to European union was shown by its actions in the currency crisis.

"We Germans have in recent days demonstrated our European convictions," he said. "The close and good cooperation between the Bundesbank and government has proved its worth, especially this time."

Many economic experts say the crisis was triggered by the Bundesbank, which has kept interest rates relatively high to counter inflationary pressures stemming from the government's massive borrowing to pay for unity with the formerly Communist East.

Interviewed while vacationing in Austria, Mr. Kohl disputed the claim that German officials had isolated the French government in the 11th-hour deliberations in Brussels that resulted in new, wider trading bands for most of the European Monetary System currencies. France had suggested temporarily removing the Deutsche mark from the EMS as the solution to the crisis.

"We did not isolate the French. If the French made the proposal, let us not beat around the bush, that the mark should leave the system for a while, then that was a matter for the French," Mr. Kohl said, adding that the French suggestion had surprised him.

He said he immediately responded by asking, "do you think the others want this?" and telling the French that other countries would reject the idea. "And that is what happened," he said.

## Serbian Troops Withdraw From a Key Mountain Top

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina—Serbian troops lowered their flag and withdrew Monday from a strategic mountain top near Sarajevo, bolstering prospects for peace talks in Geneva.

A United Nations spokesman, Lieutenant Commander Barry Frewer, confirmed the withdrawal from Mount Bjelasnica, but he said tanks and artillery were still in place on nearby Mount Igman.

The Bosnian Serbs agreed Sunday to begin withdrawing from both Mount Bjelasnica and Mount Igman—captured last week from Muslim forces—if UN peacekeepers could ensure that the strategic positions would be kept neutral territory.

The political leader of the Bosnian Serbs, Radovan Karadzic, said earlier Monday that Serbian troops were already making a phased withdrawal from the two heights, whose fate, he said, depended on whether the United Nations "is capable to take the mountain under control."

"We will withdraw completely," Mr. Karadzic affirmed, adding that the Serbs would also stop shelling Sarajevo.

Linked to a pullout is a resumption of the Geneva talks, interrupted last week when the president of Bosnia-Herzegovina, Alija Izetbegovic, walked out of the negotiations, complaining about the Serbs' seizure of the mountain tops.

The leaders of Bosnia's warring factions returned Monday to the Geneva venue of talks on an ethnic partition of their country.

But Mr. Izetbegovic said he would sit down face-to-face with the Serbian and Croatian leaders only if international mediators first assured him that the Serbs were withdrawing from the key heights over Sarajevo.

"There were no negotiations today because we established that Serbs did not withdraw from the Mountains Igman and Bjelasnica," the Muslim leader said late Monday. "We will come again tomorrow at 10 o'clock and we will start negotiations if Serbs have withdrawn."

Commander Frewer, the UN spokesman, said in Sarajevo: "The Serb flag is down from Bjelasnica, and there is no sign of Serb troops in the immediate vicinity."

Asked to confirm that Serbian tanks and

## Kiosk

### UN Chief Assails Somalia Killings

UNITED NATIONS, New York (Reuters)—Secretary-General Boutros Boutros Ghali deplored on Monday the killing of four American soldiers serving with a UN-led mission in Somalia when their vehicle was blown up by a mine that he said was probably detonated by remote control.

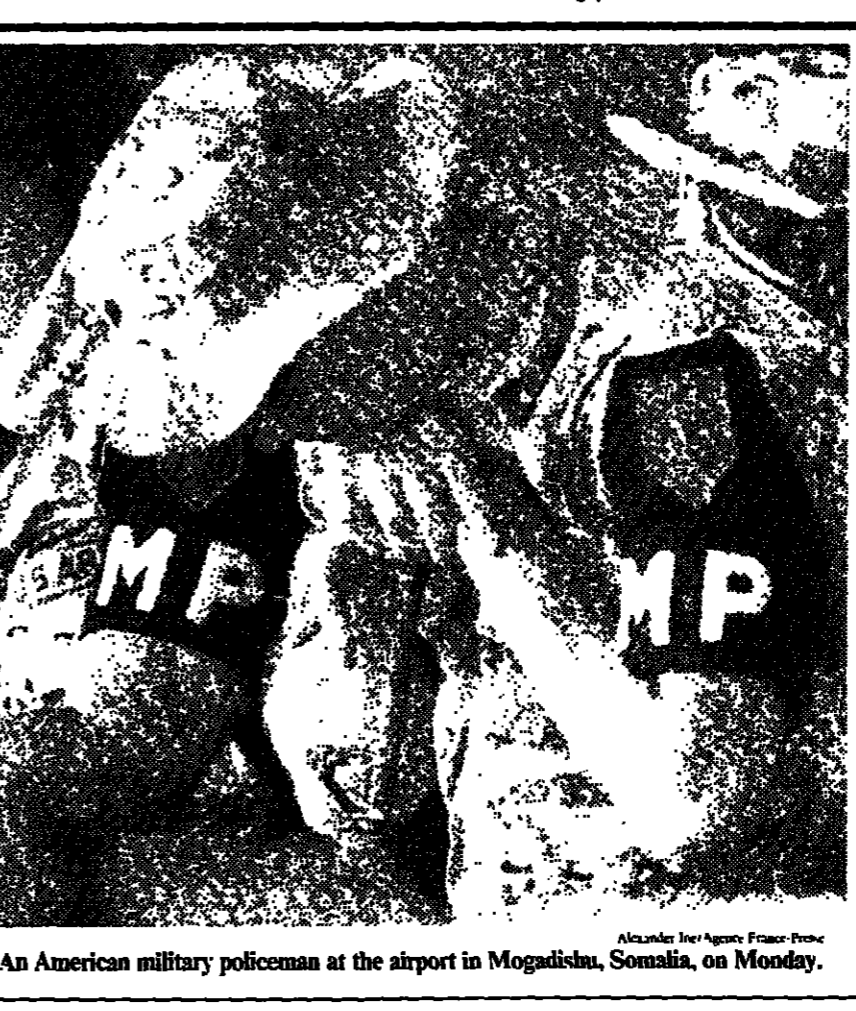
Earlier article, Page 6

**Business/Finance**  
Can British Airways make a success of its far-flung minority stakes? Page 9.  
A cleaned-up Thai stock market looks ready to rebound. Page 13.

**Book Review** Page 6  
Chess Page 6.

Dow Jones	Trib Index
Up 15.65 3,576.08	Down 0.08% 105.83

The Dollar	Mon. close	previous close
DM	1.698	1.597
Pound	1.490	1.497
Yen	104.88	104.42
FF	5.857	5.828



An American military policeman at the airport in Mogadishu, Somalia, on Monday.

## In a Caucasian Region Torn by War and Anarchy, U.S. Diplomat Is Latest Victim

By Margaret Shapiro  
Washington Post Service

MOSCOW—An American diplomat was slain in the Caucasian nation of Georgia on Monday when a car carrying him was hit by a mine. The diplomat, Fred Woodruff, was killed by unidentified gunmen who fired Sunday night at a car in which he was riding near Tbilisi, the Georgian capital.

Georgia is battling separatist rebellions that have turned much of the mountainous republic into an armed camp.

Mr. Woodruff, 45, was returning from what authorities in Tbilisi said was a sightseeing trip with the security chief for the Georgian leader, Eduard A. Shevardnadze, when armed men attempted to halt the car.

The driver sped on without stopping and the gunman fired, hitting Mr. Woodruff in the head.

Mr. Shevardnadze's security chief, Eldar Guguladze, escaped unhurt, according to officials of the Georgian Interior Ministry.

The U.S. Embassy in Tbilisi issued a statement condemning the shooting of Mr. Woodruff, who arrived in June for summer duty in the embassy's Political Affairs Section.

Mr. Woodruff, who was married and had children, was scheduled to return to the United States on Aug. 23, according to a report from Tbilisi by The Associated Press.

Since the collapse of the Soviet Union in December 1991, violence has spiraled out of control in most of the former republics. Well-armed gangs operate with impunity, warfare has devastated towns from the Black Sea to Tajikistan, and general lawlessness prevails.

Moscow has been the scene of dozens of contract murders, including several involving foreigners and foreign business.

But no place seems so out of control as the historically violent and feuding Caucasus area, comprising Armenian, Azerbaijan and Georgia as well as smaller ethnic groups.

Well-armed men, often in battle fatigues, wander the streets of the largest cities and stop journalists and others to demand cameras, tape recorders and valuables.

Train bandits regularly hold up passengers. Highway robbery by armed groups has become a fact of life and vehicles are often stolen at "checkpoints."

Politically motivated murders also have become commonplace. In one section of the Caucasus under Russian rule, gunmen on horseback recently murdered a military governor sent by President Boris N. Yeltsin specifically to quell violence in the region.

On Sunday, the autocratic leader of Russia's breakaway Chechnya republic, Dzhokar Dudayev, narrowly escaped being killed by grenades in his office.

In Tbilisi, lawlessness is so out of hand that residents no longer rely on the police and have begun to resort to mob justice. Last week, several hundred people grabbed three shooting suspects from police custody and tore one apart and injured another so severely that he died in a hospital.

"There are huge amounts of weapons on the street now," said a Georgian movie maker, Eldar Shengelaya. "When the dark closes in, people just stay indoors and you can hear shooting around the city."

Mr. Shevardnadze said that the death of Mr. Woodruff showed that "there are mafioso structures and criminal elements that are very active." He repeated his previous call for "extraordinary measures" to bring the once relatively prosperous country under control.

Mr. Shevardnadze, elected in 1992, has had to contend with a bloody separatist uprising in the Abkhazian region on the Black Sea as well as insurrection against him.

Secretary-General Boutros Boutros Ghali recommended Monday the immediate deployment of a United Nations military observer mission to Georgia to help monitor a July 27 cease-fire agreement between the Georgians and the Abkhazian separatists, Reuters reported.

If approved by the Security Council, it will be the first UN military observer team sent to any of the former Soviet republics.

In a written report to the Council, Mr. Boutros Ghali proposed that the observer mission be commanded by a Danish brigadier general, John Hvidegaard.



هكذا من الأصل

# Costs of Welfare Add to Europe's Economic Malaise

By Roger Cohen  
New York Times Service

THE HAGUE — Hans van der Valk, a former assistant professor at Delft University, is suffering from an ailment that has attained epidemic proportions in the Netherlands: stress. So he has stopped working and for the last three years has been collecting \$1,630 a month in disability benefits.

## A Continent Adrift

burghers, nearly a third of those recipients suffer from stress.

What is starkly clear is that the ballooning costs of social welfare programs for the disabled, the infirm, the elderly and the unemployed in Europe are threatening the Continent's economic future. In Spain, there is now one person receiving a social security benefit for every one working.

As a result of the welfare state, the crowning achievement of Social Democratic and Christian Democratic governments in postwar Europe and a model from which the Clinton administration wants to borrow, is under unprecedented strain. The system has become so costly — often adding as much as 30 percent to labor costs through payroll taxes — that it may be shutting Europe out of an increasingly competitive global economy.

job, the more unemployment benefits there are to pay, so resources are dwindling as demand soars.

The number of unemployed in the European Community, whose economies as a whole are expected to shrink five-tenths of 1 percent this year, has already risen to 18.1 million from 14.3 million in 1991 and is expected to reach at least 19 million next year.

But other forces are also prompting questioning of the structure of Europe's welfare states.

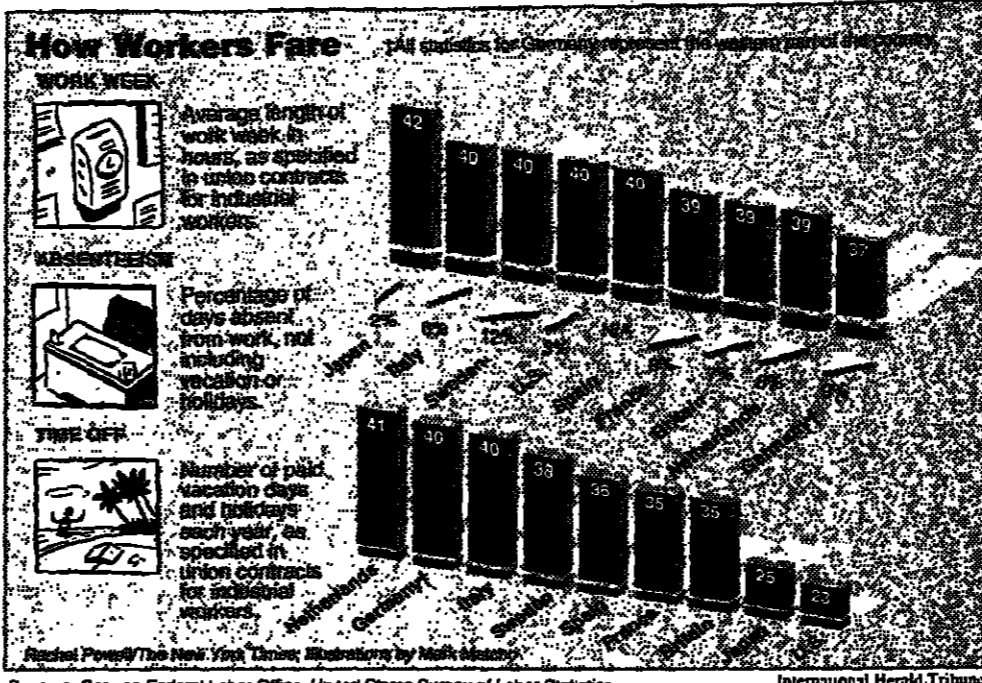
The rapid aging of the population — Western Europeans, like Americans, are living longer — is squeezing pension plans. Because older people spend more on health, the aging is also contributing to sharply rising medical costs in many European countries.

In France, a recent study projected that the deficit in the government pension budget would soar from about \$3.5 billion today to about \$35 billion by 2010 if radical reforms are not enacted, because the ratio of active to retired people is shrinking fast. Overall, France's deficit on its annual \$280 billion comprehensive social security budget is likely to grow from \$7 billion today to \$17.5 billion by the end of next year unless new revenue is found.

"The tendencies are catastrophic," Mr. Oudiz said. Similar shortfalls are reported throughout Western Europe.

From Sweden, until recently the paradigm of the welfare state, to Italy, with its swelling budget deficit, laws are being passed to cut the range and cost of welfare programs.

The German government, which has had to cope with the exceptional costs of unifying East and West, recently proposed cutting benefits for the unemployed. While people of the former East Germany have had to forsake the east-iron-ore-to-grave social safety net of the Communist system, they have been largely integrated into the social security systems of the West, at great cost to the Bonn government.



Sources: German Federal Labor Office, United States Bureau of Labor Statistics, International Herald Tribune

But at the same time, Maytag got concessions from its Scottish plant, at Cambuslang, by threatening to move production to France. Labor unions agreed to slash the bonus for working a night shift, eliminate some overtime payments, and increase the work week by 30 minutes. They also agreed that newly hired employees should have a two-year probationary period with no sick pay or pension contributions paid by the employer.

Such strong-arm tactics seem likely to spread. Faced by growing competition, corporations in Europe are desperate to cut costs.

Such companies have some backing from Britain's Conservative government, which wants to encourage the move to roll back the welfare state. "Labor markets are the crux of Europe's economic woes — overvalued, overregulated and overprotected," Kenneth Clarke, the chancellor of the Exchequer, declared in July. "The first step must be for European Community governments to look at the whole range of extra costs we force on business by excessive regulation."

Other governments are taking a different tack. France, for instance, wants to force developing countries to improve their social security programs and thereby raise their labor costs. The alternative, President Francois Mitterrand argues, should be trade sanctions.

Though Western Europe's current model, for many reasons, no longer seems to be working, change appears certain to be slow. Europeans are deeply attached to their social protection; they like their free ambulance rides, their nine free ultrasound examinations per pregnancy, their five weeks of paid vacation and their generous pension plans. Even as unemployment rises and jobs migrate to other countries, Europeans will fight to keep these benefits, and politicians will hesitate to propose any change that looks like a dismantling of the welfare system.

## WORLD BRIEFS

### German Hostel Fire Kills 2-Year-Old

CLOPPENBURG, Germany (Reuters) — A two-year-old Lebanese child was killed on Monday when fire swept through a hostel for asylum-seekers in the northern German town of Emmek, the police said.

Four other Lebanese children, aged 11 months to eight years, managed to flee the blaze, which broke out while their parents were at a nearby hospital where the mother was undergoing surgery.

### Chad Bans Protests After Killings

NDJAMENA, Chad (Reuters) — Chad's military-led government banned tribal and religious demonstrations on Monday, a day after President Idriss Deby's palace guard mowed down armed protesters in the capital.

France, the former colonial power, which has strongly backed General Deby, expressed its concern over Sunday's carnage in Ndjamena. At least 41 people, including seven policemen, were killed, according to the official toll. A nationwide nighttime curfew was imposed Sunday.

### Ramos Cites Beijing Vow on Spratlys

MANILA (AP) — Qiao Shi, the top official in China's parliament, assured President Fidel V. Ramos on Monday that Beijing wants a peaceful settlement of conflicting claims over the Spratly Islands.

Mr. Qiao was visiting the Philippines on the final stop of a tour of countries belonging to the Association of South East Asian Nations. After talks between the two men that included the issue of sovereignty over the islands, Mr. Ramos said that the Chinese official had reaffirmed Beijing's policy of "peaceful resolution of the conflict."

### 10 in Nigerian Opposition Arrested

LAGOS (Reuters) — Security agents raided a democracy-campaign headquarters and arrested 10 people on Monday, apparently hoping to head off protests from Nigerians expecting a thinly veiled extension of military rule.

The sweep looked like the start of a crackdown on activists before President Ibrahim Babangida announces his next move in a crisis that has gripped Nigeria's most populous nation since he annulled the election of a successor in June. The target of the raid was the home of the opposition leader, Beko Ransome-Kuti, which serves as the office of Campaign for Democracy.

### Japanese Life Expectancy Still Highest

TOKYO (AP) — Life expectancy in Japan remains the highest in the world despite a recent slight decline for men, according to a study made public Monday by the Ministry of Health.

Japanese men can expect to live 76.09 years, down from 76.11 years in 1991, while women in Japan are likely to have a life span of 82.22, against 82.11 two years ago.

### Sinn Fein Seeks Arms For Politicians

BELFAST (Reuters) — The Irish Republican Army's revolutionary wing on Monday demanded police permission for its politicians to carry weapons after the son of a Sinn Fein councillor was shot and killed by Protestant extremists. Such demands have been rejected in the past because of Sinn Fein's links with the IRA.

The Ulster Freedom Fighters, an outlawed group fighting to keep Northern Ireland British, admitted responsibility for killing Sean Lavery, 21, on Sunday. Guinness raked his home with 30 shots.

### Correction

An article in Saturday's editions about Hong Kong property prices failed to point out that the costs cited in one example — \$5,000 to \$8,000 a month for one room in a small shared apartment — were actually in Hong Kong dollars. The U.S. dollar is worth 7.75 Hong Kong dollars.

## TRAVEL UPDATE

### No 'Disaster,' London Palace Insists

LONDON (Reuters) — Buckingham Palace denied Monday that its opening to visitors had flopped, but tabloids spoke of a snub to Queen Elizabeth II and accused courtiers of getting their figures wrong about the expected turnout.

A spokeswoman said there was no sense of disappointment among organizers that only 9,500 visitors had toured the building over the weekend after it was opened to the public Saturday. "No one ever really knew how many people would turn up," she said, adding that the daily allocation of 7,000 tickets had been only a maximum capacity figure, not a fixed target.

## Another U.S. Issue: Deadlock in Angola

By Thomas W. Lippman  
Washington Post Service

WASHINGTON — Far from the spotlight of Bosnia-Herzegovina, the Clinton administration is groping for ways to end another intractable conflict in which U.S. interests are not readily apparent: the civil war in Angola.

Hundreds of Angolans are being killed each day and the war has fallen into a military and diplomatic stalemate.

Neither the Luanda government nor the rebel forces of Jonas Savimbi's National Union for the Total Independence of Angola, known by its Portuguese acronym, UNITA, is capable of outright military victory, according to analysts. But neither is sufficiently desperate to stop the conflict.

Atlantic and the border of Namibia plus the oil-producing enclave of Cabinda in the northwest corner.

Clinton administration officials have decided that the United States has some responsibility for the conflict in Angola, a senior official said. Throughout the Cold War in the 1980s, Washington backed Mr. Savimbi against the pro-Moscow government of Jose Eduardo dos Santos. But now it has recognized the dos Santos government.

"We are not willing to just take a walk," the official said, partly because of the U.S. role in the conflict and partly because of fears that the Angola crisis could engulf neighboring Zaire and create more turmoil throughout central Africa.



ROYAL PROCESSION — King Albert II and Queen Paola walking to a reviewing stand in Brussels on Monday after he was sworn in to succeed his brother, King Baudouin, who died July 31 of heart failure. Albert, 59, called for unity to make Belgium "a model of justice and peace."

## NATO: Targets Approved

Continued from Page 1

about the possibility that Serbs could retaliate against them for any air strikes.

The statement issued Monday stressed that NATO's threat was meant to be "limited to the support of humanitarian relief."

The alliance also agrees with the UN secretary-general, Boutros Boutros Ghali, "that the first use of air power in the theater shall be authorized by him," the statement says.

According to diplomats in Brussels, the military options discussed Monday were limited in scope, and all were aimed at ensuring a continued flow of humanitarian supplies to Muslim and other refugees. They are also aimed at encouraging a settlement in the Geneva peace talks, where a possible partitioning of the country is being discussed.

Any air strikes, diplomats said, will be triggered only after close coordination with the UN commander in Bosnia, Lieutenant General Francis Briquemont, and the overall commander of UN forces in the former Yugoslavia, General Jean Cot.

More than 50 U.S., British, Dutch and French planes have been positioned in Italy and in the Adriatic, ready to provide air support to UN commanders ever since July 22, but they have not yet been asked to do so.

"What we are trying to do is stop the fighting," one official said. "On Nov. 1 the temperature in Sarajevo will be below freezing, and a catastrophe will ensue for the people living there if the siege continues."

## BOSNIA: Serbs Begin Pullout From Sarajevo Peak

Continued from Page 1

artillery remained on Mount Igman, he said. "They have not moved from Igman."

The Croatian radio reported a new Serbian artillery attack on the Maslenska pontoon bridge near the Adriatic on the only highway link between northern and southern Croatia.

The bridge is a flashpoint that could provoke renewed warfare between Serbs in the Krajina enclave in Croatia and Croatian troops.

The Croatian command said at least 23 shells were fired at the Maslenska bridge as workers started to repair earlier shellfire damage.

Meanwhile, a top World Health Organization official warned Monday that scores of mental patients might soon be turned loose in the streets of Sarajevo because the psychiatric hospital there has no electricity.

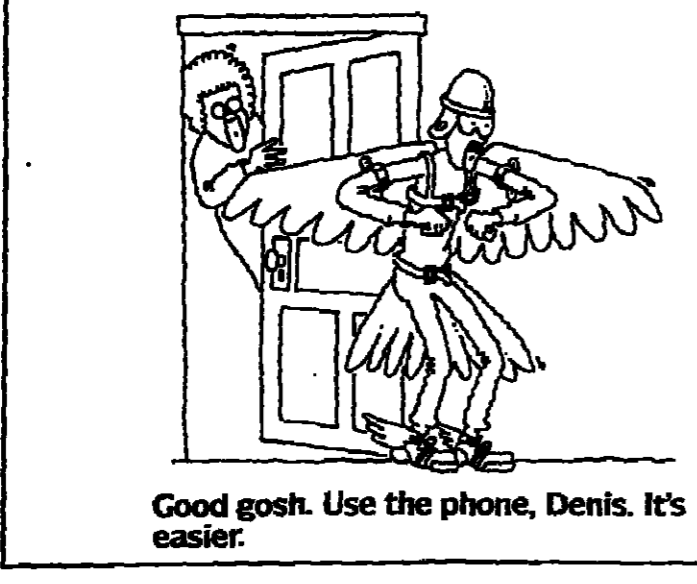
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150 Said to Die in Battle

Fighting raged Monday in the besieged Angolan government stronghold of Cuio and the state radio said 150 people died during the day, Reuters reported from Sao Tomé.

"The city is under intense fire," the broadcast said. "There are many corpses in the streets." It said residents were trapped in homes without food and that many dead probably remained uncounted.

OVERHEARD



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Brazil	000-802	France	19-00-19	Latvia	425-056	Sweden	000-955-522
Canada	007-056	Germany	050-002	Mexico	85-800-674-7000	Switzerland	EE-022
Colombia	980-16-0001	Greece	00-800-1211	Netherlands	065-022-9122	Turkey	90-900-1177
Cyprus	080-900000	Hungary	007-800-0441	Norway	050-2292	UAE	800-11
Czech Rep	00-42-00012	India	000-27	Peru	001-190	United Kingdom	0800-89-0222
Denmark	8001-0022	Ireland	1-800-554-001	Poland	071-04-800-222	Uruguay	000-412
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# STATESIDE / LESSONS LEARNED

## ★ POLITICAL NOTES ★

### The Quiet Man Who Got the Budget Through

WASHINGTON — Senator Bob Kerrey of Nebraska cast the vote that tipped the balance for President Bill Clinton's budget bill, but Senator George J. Mitchell of Maine worked for weeks so there would be a balance to be tipped.

Mr. Mitchell, the majority leader, irritated other Democrats in Congress, especially Representative Dan Rostenkowski of Illinois, as he kept pushing for ways to tinker with the bill. He would bring along one senator by proposing an increase in something, while keeping another in the fold by urging that a cut be made.

It was exhausting. It got none of the attention received by Mr. Kerrey or by other lawmakers whose votes made news. Mr. Mitchell was not even much noticed when he closed the final debate, alternately attacking Republican arguments as "false" and patriotically defending the bill as essential to Mr. Clinton and the nation.

The very characteristics that drew Senator Mitchell attention — the control of the message, the willingness to yield center stage and the sometimes tedious command and explication of detail — were essential to success.

He insisted that he had applied just two standards in his maneuvering: whether a change would "help us pass the bill" and whether it was "good public policy." But in the process he had to cajole and plead and, above all, exercise what he told the House speaker, Thomas S. Foley of Washington, was "the best developed patience muscle in Washington."

(NTT)

### Reno and Bar Group Trade Encomiums

NEW YORK — Bathed continually in television lights, praised from every podium by lawyer after lawyer, Attorney General Janet Reno spent the week-end at the American Bar Association.

With a triumphal appearance by Justice-to-be Ruth Bader Ginsburg and quite possibly the bar group's first woman president on the horizon, the association's convention has been an affair to remember for women.

But it was Ms. Reno, the first woman to head the Justice Department, who was the undeniable star of the proceedings. Over two days of receptions, speeches, and encounters in the corridors, she wielded the same combination of bluntness and folkiness, openness and humility that has charmed the nation. But before her fellow lawyers, she added some new and intriguing ingredients.

She thanked them for teaching her, invited them to stop by the Justice Department and praised them repeatedly for doing what she called "wonderful things for their nation, their state, their communities." Never, she said, had she been so proud to be a member of the association.

Whatever criticism she sent their way was gentle — less faulting them for what they had failed to do than urging them to aim even higher and do even better, particularly on behalf of the nation's children.

"I love lawyers," she declared with gusto. Once the applause had subsided, she added, "And nothing can make me madder than lawyers: lawyers who are indifferent, lawyers who don't care about others, lawyers who are too preoccupied with themselves."

The lawyers' responses to Ms. Reno contained no such caveats. They gave her still more of what she called "the approval and gushiness" that had been lavished on her in the last four months.

Perhaps for the first time since the days of Robert F. Kennedy, children asked an attorney general for an autograph. Admiring lunchtime listeners fought with waitresses for scarce floor space to give her standing ovations. From lectern after lectern, people said Ms. Reno needed no introduction, then introduced her enthusiastically.

One speaker, Cory Amron of the association's commission on women in the profession, called the attorney general "unfathomable in situations where others would be shaken, accountable where others pass the buck, visible and accessible where her predecessors were not."

Already, Ms. Amron said, Ms. Reno had kept her pledge to make the nation's women proud.

(NTT)

### Congressional Freebies May Be Short-Lived

WASHINGTON — Representative J.B. Long, Democrat of Indiana, wants to do away with free lessons in the martial arts — not to mention numerous other gifts received by members of Congress. Some form of gift ban — whether her total ban or a partial one sought by others — is expected to pass Congress in the coming months.

Among other things, it would affect lessons worth \$75 a month that are given free to senators and House members by Jhoon Rhee, a taekwon-do master who moved to the United States from Korea. In a recent performance, Thomas S. Foley, the Democratic speaker of the House, and Representative Robert A. Borski, Democrat of Pennsylvania, demonstrated their new skills by breaking boards in half with their bare hands.

Currently, lawmakers can accept gifts valued up to \$250 from any one person in a year, but gifts of less than \$100 are not counted against that limit and do not have to be disclosed. Representative Long says she wants to raise the public perception that legislative favors are being exchanged for gifts — though she believes that they are not.

(LAT)

### Quote / Unquote

Representative Vic Fazio of California, who heads the Democratic Congressional Campaign Committee, speaking about the president's plan for national health-care reform: "For the Democratic Party, it's an opportunity to define ourselves positively, to show why we came here — not just to clean up after the last decade but to provide something positive."

(NTT)

### Away From Politics

- Ruth Bader Ginsburg, to be sworn in Tuesday as the second woman on the Supreme Court, says the presence of two women on the nine-member court will make the male justices see life differently. Judge Ginsburg, 60, who joins Justice Sandra Day O'Connor, told reporters: "I do think being the second woman on the Supreme Court is wonderful. It's a sign that being a woman in a place of importance is no longer extraordinary and it will become more and more natural."
  - For the first time in its 150-year history, The Citadel, the military school in Charleston, South Carolina, has chosen a black student as its highest ranking cadet.
  - A man who New York police say fished a fire engine in Washington Heights, injuring three fire fighters during a night of unrest in the Manhattan neighborhood, has been arrested in the Dominican Republic and returned to the city. The police said Jesus Corporan, 24, was identified by witnesses.
  - A former air force sergeant who was discharged after announcing his homosexuality has been accused of molesting a college student. Anirban Bhattacharya, 23, a student at Arizona State University at Tempe, filed a complaint accusing Thomas Panocia of molesting him in a restroom. Mr. Panocia, 23, called the charge "incredible."
  - An Atlas-E rocket carried a new weather satellite into orbit from Vandenberg Air Force Base in California. The spacecraft, which replaces a deteriorating National Oceanic and Atmospheric Administration satellite, reached a 540-mile-high polar orbit.
  - The historic, Civil War-era buildings battered by the tornado that struck Petersburg, Virginia, remain structurally sound and can be renovated, city officials said.
- Kentner, AP, NYT, WP

### Floodwaters Ease Along Mississippi

ST. LOUIS, Missouri — Water levels dropped dramatically in some areas along the Mississippi River but continued pressure on levees kept residents on edge.

"It's not over," said Jean Risover, a spokeswoman for volunteers in Sainte Genevieve, about 50 miles (80 kilometers) south of St. Louis. "We still have many, many days and perhaps weeks where we have to be concerned about the possibility of a levee break."

The town weathered a crest of 49.67 feet Friday — well over the 1973 record of 43.3 feet.

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# After Budget War, a Conciliatory Push for Health Plan

By Robin Toner

WASHINGTON — The battle of the budget now behind them, President Bill Clinton and his advisers are turning to overhauling the health care system, hoping to complete their plan within six weeks and begin an intensive public campaign for secure and universal health insurance.

White House aides and Democratic strategists in Congress say they have learned valuable lessons from the exhausting struggle over the president's economic plan. Still winning from the Republicans' success at casting the plan as just more taxing and spending, these Democrats say the drive for health care legislation must be more bipartisan. And from the start, they argue, it must be sold to the public far more aggressively.

The sales campaign is already under way. In the next few days, lawmakers will be presented with a briefing book that, according to a draft copy, begins to make the case for "The Clinton Health Security Plan: Health Care That's Always There."

The draft, which describes the Clinton effort in general terms, says its basic goal is "making sure that Americans will never again lose their health coverage."

The broad outlines of Mr. Clinton's plan have been widely discussed in recent months: It will center on community insurance-purchasing cooperatives, known as health alliances, that will pool the bargaining power of small businesses and individuals to, presumably, get the highest quality, lowest cost health plans.

It is expected to establish a package of guaranteed benefits for all Americans and to require employers to help pay for part of those benefits.

Still, Mr. Clinton has yet to approve the full plan, and some of the most politically sensitive decisions are yet to be made.

Senate Republicans, in the meantime, are trying to reach a consensus of their own on a health care overhaul, and they plan to produce their own legislation in the fall.

The public campaign will intensify in the coming

days. Hillary Rodham Clinton, who is heading the administration's task force on health care, wooed the American Hospital Association in Orlando, Florida, on Monday, and the president will deliver a major speech on health care to the National Governors' Association on Aug. 16.

Ira C. Magaziner, the White House domestic policy adviser, who has led the effort on health, argued in an interview over the weekend that the administration had taken pains to lay the congressional groundwork for the plan.

"I think we've had a couple of hundred meetings now up on the Hill, with both the House and the Senate, and on both sides of the aisle," he said. "It's been a consultative process. They didn't have that luxury with the economic plan."

Still, with the health package now scheduled for public presentation in mid-September, Mr. Magaziner's optimism is not universally shared.

Philosophical differences run deep on how to structure the health care system, both within the Democratic Party and between Democrats and Republicans.

Advocates of changes in health care also worry that the bitter, exceedingly close fight over the economic plan has made a hard job even harder. It heightened the aversion to new taxes, gave partisan divisions a razor edge and sent a message to interest groups about the willingness of this administration and this Congress to deal, some of the advocates say.

"We can't afford to have health care reform be characterized as just another tax bill," said John Rother, legislative director for the American Association of Retired Persons, "and we certainly can't afford to have it mired in more partisan posturing."

Mr. Rother, who is also chairman of a coalition of groups seeking an overhaul of the health care system, added:

"What started out, really, in the State of the Union speech as a high moral call for shared sacrifice in the end degenerated into horse trading and typical special interest tactics. We can't do health reform that way. We have to see a greater leadership and a greater public will to stand against all the exceptions and loopholes that will inevitably threaten the comprehensiveness of the health reform effort."

## A New Clinton Plea For Bipartisanship

By Paul F. Horvitz

WASHINGTON — President Bill Clinton issued a fresh plea for political cooperation on Monday, hoping to entice or shame Republicans into providing votes for his landmark program to reform the nation's health care system.

In a speech to cheering crowds gathered on the capitol steps in Charleston, West Virginia, Mr. Clinton declared that the nation's problems cannot be solved unless base partisanship ends.

"We need to put an end to the partisan rancor and put the American people first again," the president said.

"We cannot have every great issue of the day decided on the basis of partisanship, scheduled around the next trip to New Hampshire for a primary still four years away," he added. "We have got to do some of these things together."

The message was aimed squarely at Republicans, whose strict party discipline yielded no votes in the House or Senate last week as Mr. Clinton's five-year budget package won passage by the narrowest possible margins.

It was not an appeal to virtue for its own sake but a political necessity. Senate rules on ending debate did not permit a filibuster on the budget bill, but the rules will allow endless debate on health care unless a handful of Republicans join the Senate's majority Democrats.

Although opinion polls have been unkind to Mr. Clinton, the Republican Party has its problems as well. It is viewed by a majority of Americans as too obstructionist, and its Senate leader, Bob Dole of Kansas, is widely seen as a stern practitioner of political infighting.

The Charleston speech was the first in a series of appearances Mr. Clinton plans this month intended to dispel what he called the "withering fog of misinformation" surrounding his budget plan.

Most Americans think it taxes the middle class far more than its provisions would suggest.

With the budget victory last week, he said, change has truly arrived because "we began to put our economic house in order."

The package of spending cuts and tax increases would save \$496 billion over five years, according to calculations by the administration.

"After 12 years of partisan gridlock, of talking tough and acting soft, we reversed the direction," Mr. Clinton said.

The president made a strong pitch for his health care plan, which will be released in mid-September. As he has in the past, Mr. Clinton said its passage is the key to further deficit reduction, because health care costs are a major factor in the growth of mandated federal spending.

"Unless we reform the health care system of this country," he said, "we can never take the deficit down to zero. We have got to do something to provide health security to all Americans in a way that is good for the private sector, good for employers and controls costs without sacrificing quality."

Mr. Clinton's speech contained numerous similar calls for national unity and seemed designed to put his image of weakness and indecisiveness behind him.

"The biggest problems we have are those that are inside our minds," he said. "The limitation on our vision, our will, and our heart and our willingness to put aside the old divisions and to work to build a better America."

He added: "There is nothing before us that cannot be cured if we have the willingness to open our ears, lower our voices, roll up our sleeves and make our words speak through our deeds."

Mr. Clinton chose to go to West Virginia in part because one of its senators, Jay Rockefeller, has been the leading voice for health care reform in the Democratic Party.

Meantime, George Mitchell of Maine, the Senate Democratic leader, said Monday that the ultimate answer to the deficit is controlling rising health care costs.

"We can't control the deficit over time, and therefore we can't have sustained long-term economic growth and job creation, unless we reform health care and control costs there," he said. "That's the biggest step that remains to be taken."



Hillary Rodham Clinton and her daughter, Chelsea, greeting well-wishers after a luncheon in the Georgetown section of Washington.

## What Was All the Deficit-Reduction Fuss About?

By Paul Farhi

WASHINGTON — The numbers sound impressive: After six months of furious effort, Congress and President Bill Clinton have agreed to attack the government's chronic debt with a plan that envisions \$255 billion in spending cuts and \$241 billion in tax increases over the next five years.

And yet, the "deficit reduction" package passed by Congress:

- Does not knock a dollar off the nation's indebtedness because its spending "cuts" affect only the future growth of programs.
- Projects annual deficits through 1998 of more than \$200 billion, a level considered unthinkable only a dozen years ago.
- Will increase the accumulated national debt from an unimaginable \$3.2 trillion now to a surreal \$4.7 trillion by 1998, according to projections by the nonpartisan Congressional Budget Office.
- Keeps the government indefinitely addicted to spending more than it takes in, pushing the bill onto future generations like an unwanted gift.

For perspective, consider that in 1980, President Jimmy Carter was pilloried by the Republican nominee, Ronald Reagan, for a record-setting deficit — of \$73.3 billion.

"The deficit may never come to a crisis," said Herbert Stein, chairman of President Richard Nixon's Council of Economic Advisers.

"All it may do is fritter away our growth into the future. Ours could be a general long-term debility."

"The damage done is very diffuse," said Robert D. Reischauer, director of the Congressional Budget Office. "It's hard to convince the American people of the cumulative damage done by a tenth of a percentage point in lost growth."

NEWS ANALYSIS

To economists, the prospect of this debt will weigh on the U.S. economy like stones added one after another to the back of a pack mule. The mule, in this case, is strong enough to carry the accumulating load without collapsing, but not without weakening. The additional burden has insidious, almost invisible effects that will become known little by little.

The accumulated deficits sap the government's energy by demanding more and more money in interest payments on the amount owed, taking money from other programs, such as education, worker training, road repair or health care.

In 1980, the government spent \$53 billion on interest payments on the federal debt, or 10 cents of every tax dollar it collected. In 1990, it spent \$184 billion — 18 cents.

The best that can be said of the budget package passed last week is that it anticipates making things no worse: By 1998, under current esti-

they wanted the candidates to talk more about.

This means that few elected officials endeavor to make deficit reduction their top priority, in part because the benefits of reducing the deficit take years to become tangible, and because cutting popular programs now causes pain.

In the end, Mr. Stein said, "this is not a crisis about the deficit — this is a crisis about the American inability to solve any major problem that involves any pain."

Mr. Reischauer compares the lack of political will to the story of the farmer with the leaky barn. As long as the barn's roof doesn't collapse, the farmer learns to live with the leak. And when it's stinky out, he feels it's unnecessary to do anything.

Opinion polls seem to indicate that the deficit remains something of an enigma, a massive abstraction that voters don't feel personally. Just 6 percent of those surveyed last fall in a national poll, for example, named the deficit as the issue

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# Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

## Up and Up Goes the Yen

Although the breakdown of Europe's currency system has set exchange rates swinging against each other again, the impact on the United States is not likely to be great. For Americans the more significant development is the steady rise of the yen, now at a record high against the dollar.

The United States is relying on an increase in exports to help speed up its slow rate of economic growth. Unfortunately, most of its major foreign markets are in countries whose troubles are much deeper. In the European Community, the relaxation of the currency rules gives France and six smaller countries the latitude to lower their interest rates. That would accelerate their recovery from the recession into which they have fallen. But Germany is the dominant economic power in Europe, and it apparently intends to hold to its present painful course. On balance there may be some advantage to American exports — but only a modest advantage.

The political effects, meanwhile, may turn out to be much more important not only to Europeans but to Americans.

The European Monetary System, which was supposed to be leading to a single currency for all 12 of the Community's countries, was a great symbol of an emerging Europe that would be strong, decisive and a power in the world. This defeat for the sys-

## U.S. Troops for a UN Army

Bill Clinton once urged creation of an American "rapid deployment force" of peacekeepers that would be on instant call to the United Nations. He has settled for something less. He will not commit a U.S. contingent to a UN standing army or earmark units for UN duty in advance. Instead, some troops will train to be part-time peacekeepers and could serve under UN command on a case-by-case basis. And Washington will beef up the United Nations' securitykeeping headquarters with staff, equipment and a training center.

That is a step in the right direction, but Mr. Clinton is not going to Congress to pre-empt forces. But he could prudently order the Pentagon to designate one or two U.S.-based brigades to be used exclusively for peacekeeping contingencies and have them participate in joint exercises with peacekeepers from other nations.

Article 43 of the UN Charter calls on members to commit forces "as soon as possible" to the Security Council for a standby army under "special agreements." President Harry Truman promised the first UN General Assembly in 1946: "We shall press for the preparation of agreements in order that the Security Council may have at its disposal peace forces adequate to prevent acts of aggression." Cold War rivalry weakened this resolve, and Article 43 was relegated to international limbo until last year when Secretary-General Boutros Boutros Ghali revived the idea of a UN standby army.

A standby army would reassure Americans who bridle at sending military com-

## Now Inspire the Country

Bill Clinton has often told his aides that the battle for his deficit reduction package was "the bone in our throat." He meant that the budget fight was a distraction from the potentially popular measures he had hoped would mark his administration. Worse still for a man who campaigned as a champion of activist and innovative government, the battle just past seemed to be about the same old things: taxes, spending, deficits and partisanship.

Mr. Clinton's willingness to risk a great deal on behalf of fiscal solvency is a measure of strength, not weakness. Nonetheless, the first six months of his term have sapped the energy and enthusiasm of even his strongest supporters. His budget victory gives him the opportunity to recast his presidency in terms larger than the absolutely necessary but hardly inspiring task of balancing the books.

In doing so, he needs to recall his strengths during last year's election. He was a candidate who understood not only the importance of much of the electorate with the failures of 12 Republican years but also its thirst for departures from old Democratic Party forms. He in fact remained faithful to his party's traditions of energetic government and a commitment to help the poor. But he also accepted that his party had to learn lessons from past failures. Programs to assist the poor needed to encourage work, not penalize it; bureaucracies needed to be slimmed and renovated; government can work best not as the problem solver of first resort but as the catalyst of an active citizenry.

Mr. Clinton understood something else; that the country now finds itself in a radically new economic situation. The rise of a global economy makes life bugle more challenging, and in many cases much more difficult, for the average American. The new economy is especially tough on those who once could count on blue-collar and industrial jobs to sustain a comfortable standard of living. Many of those jobs are now moving to low-wage nations.

There can be no doubt about the Clinton

# Bosnia: The Answer Is to Give Bombing a Chance

By William Safire

WASHINGTON — For one glorious moment a week ago, it seemed that the NATO ministers in Brussels had finally agreed to get tough with Serbian leaders who had been berking the world's diplomats around for the past two years, making a mockery of collective security.

Word came from NATO headquarters that a list of targets had been selected for air strikes to break the siege of Sarajevo and save the lives of its Muslim residents. The targets were not just Serbian artillery positions in the hills pounding the populace, but fuel and ammo dumps, supply lines and bridges, and "those responsible for the Bosnian Serbs" — meaning the contemptuous thugs with stars on their shoulders who have been directing mass murder with impunity.

Word was simultaneously pumped out of Washington that the Clinton administration had adopted a new, resolute "Don't ask — tell" policy asserting the need for air intervention now to stop the bloodletting. Reporters were told that this time the president would not allow the British and French to dictate the dithering. "Coercive diplomacy" would become the order of the day.

And what happened? The psychiatrist who fronts for the Serbian strongman took note of these delusions of potency and, as usual when the West has a brief fit of conscience, promised to stop the shelling and to allow relief convoys in. Then, as Western bluffing and puffing subsided, the tough cop leading the Serbs added a few conditions that vitiated his nice cop's seeming concession. The noose tightened on Sarajevo.

The clue that emboldened the Serbian leaders was the agreement between the chiefs of NATO's southern forces, U.S. Admiral Jeremy Borda, and the French general commanding UN forces in the Balkans, Jean Cot. Its essence: The United Nations has a veto over any NATO air strike. The decision to direct Admiral Borda to subordinate his command authority to the United Nations was made by the president of the United States.

Mr. Clinton's "Don't ask — tell" thus became "Don't ask — beg." The UN "protective force" in the former Yugoslavia is mainly concerned with protecting UN distribution of food and bandages, and not in protecting Muslims from Serbian guns. The UN commanders are afraid that if NATO forcibly lifts the siege, resentful Serbian militia will attack the scattered 25,000 UN forces.

Thus, President Clinton has placed responsibility for the decision to attack the aggressors in the hands of the UN commanders most fearful of a counterattack. That means that the UN force protects the Serbian attackers. Again Mr. Clinton can say it's not his fault. From the previous "The allies won't let me do it" he moves to "The UN won't let me do it."

If he wants to stop the killing, here's how: 1. Tell the United Nations to assemble its forces in a defensible position, hunker down and get out of the way. This is known as sending the Serbs a signal.

2. Tell the Bosnian Serbs that they have until Friday noon to cease firing everywhere, to withdraw all forces from within 80 kilometers of Sarajevo, and not to interfere with any relief supplies anywhere — or else. This is known as an ultimatum.

3. Inform America's European allies that if NATO is not empowered to make good on this ultimatum, the United States will accel-

## Will the West Stop Playing Fool With Serbian Aggressors?

By Anthony Lewis

NEW YORK — There is a form of classic farce in which the fool places his trust again and again in a rogue who tricks him every time. He learns no more from experience than the animated cartoon creature who is repeatedly flattened.

The United States, the West European nations and the United Nations have all played the part of the fool in their dealings with the Serbian aggressors in Bosnia. The Serbs promise to be good this time, the fools believe them, and the Serbs immediately renege on their promise.

The promises have come whenever it looked as though the outside world might act to stop the Serbian aggression. Last spring, for example, when President Bill Clinton seemed to be ready to use force, President Slobodan Milosevic of Serbia surprisingly endorsed the Vance-Owen peace plan. But when the threat evaporated, the Bosnian Serbs scolded the plan.

The latest version of the farce has just been performed. As the Serbian assault came closer and closer to the Bosnian capital, Sarajevo, Mr. Clinton once more sounded serious. He pressed the NATO allies — really pressed, this time — to agree to air strikes on Serbian positions.

Bosnian Serb leaders reacted at once. Radovan Karadzic and General Ratko Mladic met with the UN commander on the scene and said they would withdraw their forces from mountains overlooking Sarajevo. They also promised to open roads to the capital that the Serbs have blocked for 16 months, and to restore electricity, water and gas supplies.

The UN commander, Lieutenant General Francis Brinkmont of Belgium, showed great relief. He and his colleagues feared that the UN forces in Bosnia would be attacked by Serbs if NATO began bombing.

In NATO, European resistance to an air campaign seemed to stiff-

en. Under pressure from the Europeans, the Clinton administration agreed to let UN officials veto any proposed bombing target.

What happened next? Why of course the Serbian leaders began to talk back their promises. There were conditions they would not, after all, lift the siege.

The question now is whether Mr. Clinton has finally learned, and will act on, the simple truth about Serbian promises. That is that Messrs. Milosevic, Karadzic and Mladic understand only one language: force. Unless they believe that Mr. Clinton will act, they will forget their latest promise.

It is a question primarily for Mr. Clinton because the others are determined not to understand. The UN secretary-general, Boutros Boutros Ghali, has opposed forceful intervention at every stage. Such European leaders as Prime Minister

## Get Israelis, Palestinians and Jordanians Into a Joint Venture

By Leonard J. Hausman and Lester C. Thurow

CAMBRIDGE, Massachusetts — Even the bravest of speculators might view an investment in the West Bank and Gaza as a risky venture. Still, in the midst of the region's on-again, off-again hostilities, land prices have skyrocketed as prospectors swallow up real estate at an unprecedented pace. The market, it appears, is wagging not only that peace in the region is a good bet, but that this particular tract of land may soon develop into one of the Middle East's most buoyant economies.

Gaza, lined with magnificent beaches, and the West Bank, home to a unique array of historic sites, can both develop into hot attractions for American, Gulf, European and Japanese tourists. For entrepreneurs, the region offers an ideal venue for clothing manufacturing and development of other light industry. And both sides will benefit from fusing Israel's sophisticated technology with high-quality Palestinian labor.

Despite the potential and the recent speculative boom, the region's economy has, due to years of political turbulence, plodded along uninspired. The Middle East's political and military conflicts have for too long suppressed what should be a Middle Eastern mecca.

What is needed at this point is a plan. Not just to prod the region into cashing in more quickly on its resources, but one that will also pave the way for greater political and diplomatic cooperation among Jordanians, Palestinians and Israelis.

After all, the rewards of constructing a thriving economy in the West Bank and Gaza go beyond simply filling the coffers of its residents. As the European nations have shown in the

decades following World War II, the surest foundation for political healing in an integrated economy — beginning these with the formation of the European Iron and Steel Commission in the 1940s, progressing a decade later with the creation of the European Economic Community and culminating in January of this year with the full integration of the European markets.

The first step toward this type of union in the West Bank and Gaza will require fusing the neighboring Israeli, Jordanian and Palestinian economies to create a Palestinian zone. That, at continued in a recent report "Securing Peace in the Middle East: Project on Economic Transition," authored by a committee of 34 Israeli, Jordanian and Palestinian economists along with nine economists from Harvard and MIT, including ourselves, would require:

- Reforming the existing civil administration in the West Bank and Gaza. This would mean replacing the top Israeli officials in the civil administration with Palestinians. Ultimately the Palestinians may want a system of economic management different from the one currently imposed by Israel, but the first job is an orderly transfer of power within the existing system. This will allow the Palestinians to feel assured that their views will be respected and that the economy will keep functioning during the early part of the transition.
- Setting up banks that will extend credit to new businesses and allowing existing banks to expand. Without an expansion of credit in the region, chances that new businesses will emerge are slim. And no new businesses means fewer new jobs. If the new Palestinian entity has any

## Use the Wheat Weapon to Defend the Iraqi North

By John Waterbury

PRINCETON, New Jersey — For roughly what it cost to launch 23 Tomahawk missiles against Iraqi intelligence headquarters in Baghdad, the international community could buy most of the wheat now being harvested in the Kurdish areas of northern Iraq. Such a move would do far more to reassert the north and to consolidate his position in Iraq than largely ineffectual military strikes.

Baghdad has the military capability to recapture the autonomous northern region, liberated since the spring of 1991. But knowing that such a move might provoke a major international military response, Saddam has opted for waging a successful economic war against the north.

First, he has imposed his own economic embargo on the north. Only emergency, humanitarian aid can reach the region, but nothing that might rehabilitate its crippled economy.

Second, on May 15 the Iraqi government withdrew all 25 dinar notes from circulation, wiping out more than \$20 million in northern savings. Baghdad has threatened to do the same with 5 and 10 dinar notes. This is the only legal tender in the north, and until May 5, was still accepted as payment by merchants in Turkey and Iran, where the north could buy some of its basic consumption needs. Now those same merchants no longer want to hold Iraqi currency that Saddam has intentionally devalued.

How has the north earned these dinars in the first place? By selling to the south the one commodity the region is able to produce: wheat. In the summer of 1992, some 200,000 tons of it went south to Saddam's captive population in exchange for dinars.

So important is this source of food supply that it has contributed to Saddam's ability to frown UN resolutions 706 and 712 that would allow it to sell under UN supervision, oil for food and medicine. It is likely that at least 200,000 tons of this summer's crop will find its way to Baghdad.

The democratically elected but unrecognized government in northern Iraq has no cash with which to purchase the crop. The international community, at a pledging session in Geneva at the beginning of June, came up with \$6.5 million toward a buy-back program that would acquire some 50,000 tons that would then be distributed to refugees in the north during the winter months.

But the population at risk in the north is on the order of 2 million. The food to feed them is now standing in the fields of northern Iraq, but there is no money locally with which to buy it.

The United States has two points of leverage on Baghdad to end the embargo and the autonomous northern zone. If Saddam wins the economic war, the autonomous zone will disappear. Moreover, if northern leadership cuts a deal with Saddam, it will be very hard for the international community to maintain the sanctions because of their harsh effects on all the Iraqi people.

The object is to protect northern autonomy not as a prelude to independence for the Kurds but rather as part of a strategy to weaken Saddam Hussein's regime. To work, the strategy must gradually shift international assistance to the north from emergency aid to economic rehabilitation.

A first step in this direction would be the purchase of a substantial portion of the wheat harvest, which could then be sold back to the people of northern Iraq during the winter months. The cost would be about \$25 million. Saddam would be deprived of a crucial supply of food, his economic squeeze would be undone, and the north would continue to escape his direct control.

## Good News From Europe and Japan

By C. Fred Bergsten

WASHINGTON — The American economy last week got more good news than just the budget deal. Europe abandoned its effort to maintain fixed exchange rates. Japan chose its first new government in 40 years.

Only one of those happenings, the budget deal, made big news in the United States. That is understandable: most Americans find it hard enough to stay tuned to the drama of the U.S. deficit, let alone the fate of the franc or the languishing of the LDP. But the foreign developments will probably have greater impact on America's economic growth and ability to create new jobs for at least the next few years.

Of course the budget package is an essential start. The United States has been mired in sluggish growth or worse for the past five years because of the heavy debt burdens that weaken all sectors of the economy — consumers, corporations and the government.

It is going to take enormous effort to faithfully carry out the Clinton blueprint over the next five years. Vigilance and political muscle will be needed to make sure the Congress actually delivers the largely unspecified spending cuts promised for future years, while substantial additional steps will be needed to complete the budget correction.

Still, the deal is important in establishing credibility in dealing with

improvement — the resulting lower interest rates keeping the dollar, and hence exports, competitive.

The importance of exports has been demonstrated in recent years. More than a third of America's total growth in the late '80s came from an improved international position. Export expansion kept the recession of 1990-1991 from being twice as bad as it was. Unfortunately, recessions that cut buying power in the major foreign markets have caused U.S. trade performance to deteriorate again in the last two years.

This is where events in Europe and Japan count. Faster growth there boosts U.S. exports, and hence jobs at home, by hefty amounts. My colleague William Cline estimates that every 1 percent per year in faster growth abroad increases America's annual exports by \$10 billion.

If Europe and Japan could resume their normal growth paths over the next two to three years, U.S. domestic output could expand by as much as \$50 billion. A million high-wage jobs would be created.

The writer is director of the Institute for International Economics and chairman of the Competitiveness Policy Council. His latest book, co-authored with Marcus Noland, is "Reconcilable Differences? United States-Japan Economic Conflict." He contributed this comment to The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

**1893: Rioting in Spain**  
MADRID — An extraordinary state prevails at Victoria. The city was affected by a new scheme of military reorganization. The populace resented Victoria being deposed from its position as an important military center, and there was rioting on Aug. 8. Martial law has been proclaimed. The railway line was guarded, lest an attack be made upon the train in which the Minister of War traveled from Madrid to San Sebastian and, as the military prevented all approach to the station, when the train came the crowd hooped and whistled.

**1918: Pledge to Russia**  
LONDON — The British Government in a declaration to Russia, which has been published at Vladivostok, says: "We come to you in your distress and to save you from dismemberment, from destruction at the hands of the Germans, who seek to reduce your people to slavery and to employ the important resources of your country to their own ends. But we solemnly desire to assure you that while our troops penetrate Russia to lend our aid in your fight against Germany we will not retain a yard of your territory."

**1943: 'Gandhi Pilgrims'**  
BOMBAY — [From our New York edition:] Disorders broke out at Bombay, Ahmedabad and Poona today [Aug. 9] on the first anniversary of the arrest of Mohandas Gandhi and other Nationalist leaders. Many hundreds of persons were arrested. Many militant Nationalists sought to march on the shrine where Gandhi is interred at the luxurious villa of the Aga Khan. Forty rioters were arrested here during the morning and another 60 were arrested as they tried to enter for Poona to hold demonstrations demanding Gandhi's release. Many Nationalists, clad in white, alighted at Poona station, wearing badges inscribed "Gandhi pilgrims."

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OPINION

U.S. Policy Lags in East Asia

By Chalmers Johnson

SAN DIEGO — The aftershocks of the end of the Cold War roll relentlessly through Asia. In Japan, the Liberal Democratic Party, America's chosen instrument for keeping Japan in the Western camp, finally collapses under the weight of its corruption and irrelevance. In South Korea, a genuinely democratic regime comes to power and for the first time in 30 years gets the Korean Army, long allied with the United States, back into its barracks. In Singapore, the ASEAN foreign ministers set up an exclusively Asian caucus, which Japan supports even though the United States has been opposed.

Just as was the case in President Bush's disastrous visit to Japan last year, Mr. Clinton went to Japan in July without a single high official accompanying him who had substantial knowledge and experience of Japan and who could read the Japanese language. Does this lack of expertise make a difference? Yes. The Americans are now missing a big opportunity to take advantage of Japanese events.

Even though the Americans invested great hopes in Bill Clinton's reformist government, it is doubtful they anticipated that in foreign policy he would return to office almost every living member of the Carter administration.

lems for the environment, the global trading system and the balance of power. What is the United States doing in response to these fundamental changes? Almost nothing. Even though the Americans invested great hopes in the reformist government of President Bill Clinton, it is doubtful they anticipated that in foreign policy he would return to office almost every living member of the Carter administration — including the secretary of state, the head of the National Security Council and his deputy and the ambassadors to Japan, Germany and the European Community. Even more inexplicably, the president named as his assistant secretary of state for Asia and the Pacific George Bush's former ambassador to China.

LETTERS TO THE EDITOR

Leadership Has Failed

I am sure Joseph Brodsky speaks for many of us who now view our leaders as cowards or profiteers ("Enough of This Unnecessary Carnage in the Balkans," Opinion, Aug. 5). Why did U.S. officials bother with speeches at the new Holocaust Museum in Washington when America cannot be bothered to stop the present genocide? Why did the West go in so boldly to save poor Kuwait when that country is not poor anyway, was not at all democratic and still isn't? Someone is making gains while Sarajevo faces death every day.

DEREK PAYNE, Barcelona.

I appreciated Mihamed Sacirbey's "Remember to Prosecute War Criminals" (Opinion, Aug. 6) and Mr. Brodsky's piece as well. By the way, already at age 16, the future Nobel Prize winner acted as a man of honor. According to Soviet law, Mr. Brodsky had to choose between the Lethal "nationality" of his mother and the Jewish one of his father. His choice brought him into many troubles, including a year in a subarctic penitentiary colony.

LEON POLIAKOV, Massy, France.

For Limited Asylum

Regarding "When the Comfortable Turn Their Backs on Refugees" (Opinion, July 28). The postwar consensus regarding the obligations of states toward refugees was reached well before today's massive overpopulation. The duty of nations to help refugees from warring countries is not in question. But there must be guarantees that they will return home when conditions there permit.

JANE MOLARD, Cannes.

Estonia and Russia

Regarding "Watch Russia's Baltic 'Near Abroad'" (Opinion, July 27). Prime Minister Carl Bildt of Sweden is right to call attention to developments in Estonia, but his applause for its policies seems rather inappropriate. It was certainly not the Estonian law on aliens — which spells out the possibilities for noncitizens to become permanent residents — that provoked the Russian population of Narva to vote for autonomy. Rather, it was Estonia's policy of assimilation of its Russian minority, which has thrust this half-million-strong community into a status of aliens. As this group becomes more radicalized, don't be surprised if in a future referendum Narva's population votes overwhelmingly for reunification with Russia.

Only the Estonian government can prevent such a destabilizing split. Ill-conceived backing of its policies can only spoil the country's chances of passing a crucial test in Narva.

PAVEL BAEV, Institute of Europe, Moscow.

It was ironic to read the report in your June 25 edition about the threat by President Boris Yeltsin to intervene if Russian-speakers in Estonia "rebelled against what he called apartheid." The Russians in Estonia are not immigrants, but colonists and illegal aliens. Starting in 1940, Estonia was occupied, colonized and Russified by the Soviet Union. Until 1991 the Soviet Union engaged in ethnic cleansing, eliminating more than 130,000 Estonians (12 percent of the population) via murder and deportations to Siberian labor camps.

Thousands of Russian workers and bureaucrats were implanted in Estonia, the local language was suppressed in favor of Russian, and thousands of Soviet troops were stationed there, 8,000 of whom remain against the will of the Estonian people and their government.

The Soviet's immediate goal was the creation of a Russian majority; the long-term aim was the destruction of the Estonian culture and language. Given a few more years, they might have succeeded.

Estonian naturalization rules are some of the most lenient in Europe — just three years' residency, knowledge of Estonian and an oath of loyalty. Is making Estonian an official language a deprivation of human rights and "grade discrimination"? Mr. Yeltsin's "harsh warning" is blatant interference in the internal affairs of an independent country. The West must condemn it and demand that the Russian government remove the last vestiges of imperial rule and pull all former Soviet troops out of Estonia.

HANS MIRKA, Hounslow, England.

Womanhood as Slavery

Regarding "Bring Together the World to Eradicate This Torture" (July 28) by A. M. Rosenhal. The true purpose of female genital mutilation is to disempower the female. Cultures with the means to end this practice fail to do so because they are confused about the rights, sexuality and humanity of women. Why is it that women are usually the actual perpetrators of this monstrous, irrevocable crime?

JANE GREY, Paris.

To live in a condition where no viable choices exist is to live the life of a slave. That women would have their bodies mutilated rather than suffer the consequences of denying such a practice is an indication of their oppression. For those of us who are privileged enough to engage in intellectual discourse rather than live the horrors of such a reality, this atrocity is not easy to face. Because to acknowledge that millions of women are mutilated no reason at all is to acknowledge the utter despair and hopelessness of being a woman in such a culture. It is time to break the silence and end the suffering.

WINNIE WING-NING SO, Hong Kong.

A Tribute to Maleska

Crossword addicts all over the world will join me in mourning the passing on Aug. 3 of Eugene Maleska, crossword puzzle editor of The New York Times. As a reader of the International Herald Tribune, I encountered him only occasionally and always on weekends. Although he sometimes made those weekends, he more often than not succeeded in frustrating a majority of them. Above anything else, he will be sorely missed on those long-distance flights when he helped ease the tedium and tension of travel.

B. I. FERNANDES, Singapore.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The American Lawyer: An Ethos Adrift in Greed

By Lincoln Caplan

NEW YORK — Many lawyers like paradox — and here's one that especially, because it's about them. Americans despise lawyers, yet we can't get enough of them. The legal thriller — John Grisham's "The Firm," Scott Turow's "Pleading Guilty" — is a hot genre, so big it's become a new category in the book business and has crossed over to do major box office at the movies.

MEANWHILE

that the law has become America's civic religion. In a country where people are plagued by doubt or divided by creed, the law is said to provide common ground. Americans hate lawyers because we expect them to compare with priests and are enraged by their shortcomings.

We are riveted by legal thrillers because we want to know what's wrong with an institution that should stand for what's right. As a group, the American Bar Association is preoccupied with its base image. Michael Scanlon, its communications director, is the former chief executive of the Petroleum Marketing Education Foundation. He was brought in to give lawyers a makeover. It's no accident that the 1993 ABA annual meeting is dedicated to the memory of Justice Thurgood Marshall. Honoring the late justice is a way to celebrate the ideal of the lawyer-statesman. It presents the lawyer at his or her best, in the tradition of Thomas Jefferson, Abraham Lincoln and, for lawyers especially, of Justice Louis Brandeis, who preached moral activism for the profession. Robert Gordon of Stanford Law School defined the lawyer-statesman as "the independent citizen, the uncorrupted just man

of learning combined with practical wisdom." Mr. Gordon also pointed out that the model has been "so completely eclipsed that it now seems almost a joke."

Long before they became the butt of jokes, lawyers worried that they deserved to be. Since the 1970s, the organized bar has experienced a crisis of confidence. The most prominent statement of alarm appeared in a 1986 report called "In the Spirit of Public Service: A Blueprint for the Rekindling of Lawyer Professionalism." It explored the question, "Has our profession abandoned principle for profit, professionalism for commercialism?"

In the ABA's view, the character of lawyering has been severely strained. The best symbol of things gone bad was the "firm" — the large office of scores of lawyers, if not hundreds, that is darkly portrayed in legal thrillers. The megafirm became the villain in a story of extraordinary change.

As the demand for the services of lawyers increased (from \$8.2 billion in 1960 to \$47.5 billion in 1985, in 1985 dollars), so did the supply. Between 1965 and 1990, the number of American lawyers leaped from 296,000 to 800,000, increasing more than four times as fast as the population of the United States.

In his book "Rascals: The Selling of the Legal Profession," Peter Brown contends that the bar has become blemished by "crime, perfidy, greed and sloth" and that many lawyers treat law "as a trade solely for profit rather than as a profession for service to the public interest."

Many of the "greedy ones" are in large law firms, which promote "selfishness" among their partners, the "oppression and abuse" of their associates and a general decline of "manners and morals." Does the bar stand "in danger

of losing its soul," as Anthony Kronman, a professor at Yale Law School, has warned? In this rule-of-law country, the consequences run far beyond the bar. Rather than offering a source of moral purpose, the practice of law has become hollow at its core.

Lauding Thurgood Marshall and emphasizing how his legacy is carried on, the ABA is trying to correct this widespread impression. The real problem, however, is not that the image of lawyers is wrong but that it captures reality.

The problem is simply what lawyers do for a living. They defend themselves primarily through fine relationships with clients, their relationships with society. To some lawyers, there's no compromising the devotion owed a client. By contrast, others have proposed a redefinition of the concept of advocacy so that, besides serving a client, a lawyer strives to fulfill

obligations to society as well. The clash is fundamental. In 1977 lawyers began what the scholar Theodore Schneyer called "the most sustained and democratic debate about professional ethics in the history of the American bar." An early version of proposed changes in the bar's code of conduct was drafted boldly to include rules of wide interest to the public and to lawyers, like a requirement that every lawyer give 40 hours a year of free legal service, as a general contribution to American justice. This and other recommendations proved highly controversial.

In 1983 the bar's code was rewritten to finesse all controversy. Its final form confirmed the bar's passage from an organization defined by tradition to one shaped by expediency.

In the old model of legal ethics, the lawyer's duty to represent a client zealously was tempered by his responsibility to do so "within the bounds of the law." It was assumed that those bounds could be identified. Now that much of the law is seen as vague and changeable, the duty of zealous advocacy seems to overwhelm lawyers' sense of responsibility to operate within legal bounds.

Even lawyers known for care and caution feel obliged to test the limits of propriety in the name of professional duty. As Mr. Gordon said, "The lawyer under such an ethical regime is by vocation someone who helps clients find ways around the law," although the outcome may be unsavory. The popular culture has got it right, and the bar has no one to blame but itself. The current ethos among lawyers has led to a race to the bottom.

The writer is author of the forthcoming "Shadden: Power, Money, and the Rise of a Legal Empire." He contributed this column to The New York Times.



'It's a disgrace the way the whole law profession is maligned these days.'

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500 من الامل

### Beirut Puts Hundreds Of Troops In UN Zone

*Compiled by Our Staff From Dispatches*

JUWAYA, Lebanon — Hundreds of Lebanese troops swept into a UN zone facing Israel's front lines in southern Lebanon on Monday, but the army stressed that guerrillas had a "natural right" to keep on fighting Israeli occupation troops.

It was the first time in 11 years that Lebanese troops had moved into regions of southern Lebanon controlled by the United Nations.

Armed with rifles, machine guns and anti-tank rockets, soldiers in flak jackets were deployed in Juwaya, Qana, Derghaya and Bir- as Selasil on trucks and armored troop carriers.

UN peacekeepers saluted as the soldiers rode past, and women and children threw rice and handed out sweets and juice.

"We know it's symbolic but it's an important step," said a military driver, Qassem Fawaz, 53, in Juwaya as soldiers set up a post. "We wish it had happened a long time ago so our hearts could rest."

In Beirut, an army statement said the deployment was to back "the steadfastness of the people of the south facing Israeli aggression and to stop any security incidents in the villages."

"There is no truth to any news about this deployment being directed against anybody, namely the resistance against the occupation, which remains a natural right for citizens until it ends," the statement from the army command said.

Military sources said that 500 to 1,000 Lebanese troops had entered the UN zone facing Israel's self-declared "security zone" in the first such deployment in the battle-scarred region in 11 years. But security sources inside the zone, held by the nine-nation United Nations Interim Force in Lebanon, estimated the number of Lebanese troops at about 300.

About 5,300 UN peacekeepers have patrolled parts of south Lebanon since 1978, but have been unable to prevent guerrillas from launching attacks on the Israeli-occupied south and northern Israel.

Seven Israeli soldiers were killed last month in guerrilla forays into the Israeli zone before Israel unleashed a seven-day air and ground bombardment that left 147 people dead, nearly 500 wounded and half a million displaced.

The onslaught was halted on July 31 by a U.S.-brokered cease-fire. (Reuters/AP)



Townpeople in Qana, Lebanon, celebrating the deployment of Lebanese Army troops in the southern Lebanon village on Monday.

### Palestinians Play Down Rift Over Talks

TUNIS — Three leading Palestinian peace negotiators from the Israeli-occupied territories thrashed out differences with the PLO leadership on Monday, and one source in Jerusalem said they had withdrawn a threat to resign.

The three, Haseen Ashrawi, Faisal Hussein and Saeb Erekat, refused to confirm or deny conflicting reports suggesting that they had submitted and then withdrawn their resignation from the Palestinian delegation to the Middle East peace talks.

"Everybody is talking on this apart from us," said Mrs. Ashrawi, the spokeswoman for the Palestinian team at the stalled 21-month-old peace talks. When asked about the conflicting reports, "We came here to Tunis for serious and discrete discussions on important issues," she said. "We presented a report and we are having a serious and discrete internal discussion on important issues."

Mrs. Ashrawi, Mr. Hussein, the overall coordinator of the Palestinian team, and Mr. Erekat, a senior delegate, began talks late Sunday with the PLO leader, Yasser Arafat, at PLO headquarters in Tunis.

Mr. Arafat's aides and PLO officials played down talk of resignations over the PLO leader's handling of the presentation of Palestinian amendments to a U.S.-drafted declaration of principles on Palestinian self-rule.

But a senior PLO official, who asked not to be named, said of the three negotiators, "They threatened to resign."

Other members of the negotiating team, including the chief delegate, Haider Abdel-Shafi, headed for Tunis to join the talks.

But in Jerusalem, an adviser to the Palestinian team said that the problem had been resolved.

"They withdrew their resignation and now they are discussing their role in the team," said Azmi Shuabli.

The dispute centers on a decision by Mr. Arafat, after consultations with Egypt, to deliver the Palestinian amendments to the U.S. secretary of state, Warren M. Christopher.

The Palestinians were angry that the U.S. draft did not define the area that would come under limited Palestinian self-rule and that it left Arab East Jerusalem under complete Israeli control.

PLO sources said that Mr. Arafat had violated a PLO executive committee decision on July 3 to neither deal with the U.S. draft nor present amendments to it.

Mr. Abdel-Shafi, passing through Amman en route to Tunis, spoke of signs that Israel could deal directly with the PLO.

"There have been unofficial informal contacts with PLO people, so maybe this will be a prelude to having official contacts," he said.

But in Jerusalem, Prime Minister Yitzhak Rabin said the resignation threat did not mean Israel would talk to the PLO.

WASHINGTON — John Demjanjuk, accused of having been a Nazi death camp guard, has no legal right to be allowed back in the United States, the U.S. Justice Department argued on Monday in appealing a federal court ruling.

Justice Department lawyers asserted that Mr. Demjanjuk, who has been acquitted in Israel of being "Ivan the Terrible" at the Treblinka death camp in Poland, should not be allowed to return.

The department made an emergency request to suspend a ruling by a three-judge panel of the U.S. Court of Appeals for the Sixth Circuit in Cincinnati, ordering that Mr. Demjanjuk be permitted to return.

In its appeal, the Justice Department also requested a rehearing by the same court in an effort to overturn the ruling.

Mr. Demjanjuk, a 73-year-old retired Cleveland auto worker who was extradited from the United States in 1986, remains in Israel.

An Israeli Supreme Court panel has set a hearing Aug. 11 on whether Mr. Demjanjuk might stand trial again in that country based on evidence he was a guard at camps other than Treblinka.

Mr. Demjanjuk was stripped of his U.S. citizenship in 1981 and ordered deported in 1986 for lying about his past in World War II.

In the appeal, Justice Department attorneys said his service as a Nazi SS guard at the Izbica training camp in Poland makes him inadmissible to enter the United States, regardless of whether he was "Ivan the Terrible."

### U.S. Asks Court to Bar Demjanjuk

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### Hosokawa Opts for Diversity In Japanese Coalition Cabinet

By T.R. Reid  
*Washington Post Service*

TOKYO — Prime Minister Morihiro Hosokawa on Monday nominated the most diverse cabinet in Japan's postwar history to direct the new coalition government that marks the end of four decades of conservative one-party rule.

Mr. Hosokawa, who professes an admiration for President Bill Clinton, opted for his own version of "a cabinet that looks like the country" by naming a slate that includes politicians from seven different parties and two nonpoliticians from the private sector. Three of the 20 appointees are women, the most in Japanese history.

Only one of the newly named ministers has served in a cabinet before. By Japanese standards, this amounts to a striking infusion of new blood into a political system that had resisted change.

The cabinet was carefully assembled in accordance with what Mr. Hosokawa calls the "new wind" sweeping Japan in the wake of last month's election.

A key reason for that new wind was disgust with political pay-off scandals involving the long-dominant Liberal Democratic Party. Reform is a priority for the new government.

Accordingly, Mr. Hosokawa created a new cabinet post of minister of political reform and for it chose Sadao Yamahana, head of the Social Democratic Party. Mr. Yamahana has made a career out of attacking corruption in politics, but as head of a minority party he has not had the power to do anything about it.

Mr. Hosokawa said Monday that his government will be known as the political reform administration and will be determined to make an all-out effort to pass political reform laws in this current year," Reuters reported.

The new cabinet is not all new faces. Several of the top positions — including foreign minister, finance minister, minister of international trade and industry, agriculture minister and defense minister — went to defectors from the Liberal Democrats who joined new parties this summer. Of these, however, only the new foreign minister, Tsutomu Hata, has served in a Liberal Democratic cabinet.

But there was also a world turned upside-down flavor to the choices. Wakako Hirozaka, for example, Mr. Hosokawa's appointee to head the Environmental Agency, is a fluent English-speaker who was educated in the United States; on her office wall is a picture of then-Senator John F. Kennedy handing her a diploma from Brandeis University in 1960. Mrs. Hirozaka, 59, of the Clean Government Party, has been an outspoken advocate of environmental protection.

But Mrs. Hirozaka has always been written off as an idealist with no power. Now she has more clout than the Liberal Democratic legislators who scorned her so publicly a few weeks ago.

Another woman, Ryoko Akamatsu, 63, minister of education, is an equally unlikely choice for a cabinet job. She is a former bureaucrat and diplomat who has never held political office. She took a subway to the prime minister's office for the swearing-in, while veteran politicians were driven grandly to the door in limousines.

Two of the agencies that have been plagued with bribery scandals, the Construction Ministry, which allocates big contracts, and the Transportation Ministry, which regulates transit and delivery companies, will now be headed by Socialist parliament members, indicating that business-as-usual may be ending there.

In terms of U.S.-Japan trade relations, the key figures in the new cabinet will probably be Hirohisa Fujii, the finance minister, and Hiroshi Kumagai, who will oversee foreign trade negotiations.

Mr. Hata, the foreign minister, is perhaps best known to Americans as the man who once argued that Japan could not import American beef because Japanese intestines were different. He now says he does not believe that, but he still expresses concern about beef imports into a country that traditionally has eaten fish and vegetables.

**A Fledge on GATT Talks**

Mr. Hata said Monday that Japan would retain and strengthen its present foreign policies, Reuters reported from Tokyo.

"There are many problems in the post-Cold War era, such as nuclear proliferation, assistance to Russia and delayed economic recovery in the developed countries. And the Uruguay Round of GATT talks is important," he said.

"We will continue the policies, such as aid to Russia and the Uruguay Round, of the old regime," Mr. Hata said. "We aim to expand on these. Japan, one of the major food importing countries, will try to make an effort to succeed in the GATT negotiations."

### The New Government

TOKYO — Following is Prime Minister Morihiro Hosokawa's new cabinet that was appointed Monday:

Prime Minister: Morihiro Hosokawa (J); Foreign Minister: Tsutomu Hata (R); Political Reform: Sadao Yamahana (S); Justice: Akira Ishikawa (N); Finance: Hirohisa Fujii (R); Education: Ryoko Akamatsu (N); Health and Welfare: Keigo Ouchi (D); Agriculture: Eijiro Hata (R); International Trade and Industry: Hiroshi Kumagai (R); Transport: Shigeru Ito (S); Telecommunications: Takemasa Kasumi (C); Labor: Chikara Setaguchi (C); Construction: Kazuo Igarashi (S); Home Affairs: Kanji Sato (S); Chief Cabinet Secretary: Masayoshi Takemura (R).

State Ministers: Management/Coordination: Kazuhiko Ishida (C); Defense: Keiichi Nakasaka (R); Economic Planning: Masaru Kubota (S); Science and Technology: Satsuki Eda (P); Environment: Wakako Hirozaka (C); National Land, Hokkaido/Okinawa Development: Kosuke Uehara (S).

Key: S-Socialist Party; J-Japan New Party; R-Japan Renewal Party; D-New Horizons Party; C-Clean Government Party; N-Nonpolitical; R-Resurrection Party; F-Social Democratic Federation; N-Nonpolitical.

### Typhoon Bears Down on Southern Japan

Compiled by Our Staff From Dispatches

TOKYO — A typhoon bore down Monday on Japan's main southern island of Kyushu, where torrential rain has triggered widespread floods and mud slides.

Officials have already reported 45 persons killed because of the storm, which at its center is carrying winds of 160 kilometers an hour (100 miles an hour).

The Meteorological Agency said on Monday that the storm, designated Typhoon Robin, was expected to bring up to 50 centimeters (20 inches) of rain by Tuesday morning in Kyushu and nearby Shikoku Island.

In South Korea, storm warnings were posted and more than 50,000 ships and fishing vessels were brought into ports.

At least 35 persons were killed in rain-related traffic and other accidents in South Korea over the weekend, when up to 15 inches of rain fell on most of the nation.

The National Weather Service said the main force of the storm was not expected to strike the Korean Peninsula, but would pass at sea to the east sometime Tuesday. Southern coastal areas could expect up to 12 inches of rain, it said.

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### BOOKS

#### ELAINE AND BILL, PORTRAIT OF A MARRIAGE: The Lives of Willem and Elaine de Kooning

By Lee Hall. 340 pages. \$25. HarperCollins.

Reviewed by Dore Ashton

IN 1936, Elaine Fried, an art student just 20, described by Lee Hall as "gregarious, ebullient, flirtatious, talented and beautiful" met Willem de Kooning, a respected but struggling painter in New York's downtown Bohemia. He was "amiable but solitary, slow and deliberate in his work, and often gloomy." In 1943 they married.

Despite vicissitudes of infidelity, long separation, debauchery, rivalry and fame, they remained married for 50 years. As her title suggests, Lee Hall sees their lives as a soap opera — one dramatic episode after another with countless "intimates" in the supporting cast who are always willing to tell all. All that is, except why anyone should be interested in Elaine and Bill, since any village can boast its profigates and nonconformists.

Hall does repeat at regular intervals that the couple worked hard and believed in art, but she is so absorbed in their nocturnal comings and goings that she scarcely finds space to sketch de Kooning's ascent as a world-renowned painter after World War II. Nor does she shed light on why his wife, who participated energetically in the art world, both in its antic and serious levels, became a respected art writer and later a painter well enough known to win a commission to do a portrait of President John F. Kennedy.

From the many interviews Hall conducted (in which she always seems to be asking the wrong questions) she gleams fulsome remarks on de Kooning's "genius," always with a "but" added, and his wife's "vitality," "competitiveness" and manipulative character. Demeaning remarks, most often made by unidentified secondary survivors of the Abstract Expressionist milieu, abound.

Unavoidably, there are references to other significant figures of the period. In these, Hall reveals an appalling indifference to art historical accuracy. In her brief references to Arshile Gorky, who was a significant friend despite the fact that de Kooning despised the fact that de Kooning had an infinite respect both for Gorky's talent and his ideas.

Hall describes Gorky as unsophisticated — and interested in little outside his own work. Gorky's interests were, on the contrary, very broad. He read poetry, studied the history of his art and knew people in every cultural profession. He was hardly unsophisticated. More-

over, when he shepherded de Kooning and other artists to museums, they were eager to hear his brilliant, broad-ranging talk.

Early in the book, Hall establishes her TV scenario and everything that follows is based on it:

"What seemed to Elaine and Bill to be merely the work, talk, and social activities of artists eventually coalesced to form the kingdom of Abstract Expressionism. Even as the lively couple made their way among the studios and parties and meeting places of the pre-World War II world, the would-be dukes and earls, the knights-errant, the court jesters, musicians, and ladies-in-waiting were assembling. As they displayed their costumes and manners, their wares and talents, Elaine and Bill looked them over and formed friendships, alliances of convenience, and social pacts."

On the same page the author quotes a "survivor" of the era calling the couple "smart cookies, smart operators" and, a few pages later, in her usual debased diction, Hall writes: "Whether missionary, proselytizer, or pamphleteer, or the art world's version of the beckoning and welcoming Statue of Liberty, Elaine invited everyone she met to the shores of art. For her, the world would be perfect if everyone

became an artist, albeit subject to the king, Willem de Kooning.

So it seems that all it took for de Kooning to become one of the most esteemed painters in the Western world was a clever publicity campaign, managed by his dotting wife.

Such crass derogation is usual in this kind of book, but Hall carries it to astonishing lengths. Her most egregious distortions occur when she discusses the role of serious writers such as Harold Rosenberg and Thomas B. Hess, who have walk-on appearances as couriers, or Elaine's lovers, influenced at bedtime in favor of the king.

Despite the cloy first-name tone, the book is riddled with misquotations and errors. It is pointless to

enumerate them, but they can be gauged by one recurrent detail: Throughout the text, Hall refers to the bar to which artists of the Abstract Expressionist era repaired, which was called on its signboard "The Cedar Tavern," as "The Cedars." There are many still alive who could have told her that everyone referred to this hangout as "The Cedar" or sometimes, as "The Cedar Bar." This small detail speaks volumes about Hall's general ignorance of the period, and her inability to get things right.

Dore Ashton, a historian and critic, wrote this for The Washington Post.

WHAT THEY'RE READING

Joseph Laitin, who has been a spokesman for the Pentagon and the U.S. Treasury — and a former Hollywood correspondent — is reading "Marlene Dietrich" by her daughter, Maria Riva.

"A sensitive, touching, no-holds-barred account which is far better than anything that has been written about Marlene Dietrich by anyone, including me."

(Lawrence Malkin, IHT)

### CHESS

By Robert Byrne

IN the Schweizerischer Kredit Anstalt-Mephisto International Tournament held in Munich, first place was taken by Latvian Alexei Shirov with an 8-3 score. He played against Robert Hubner of Germany in Round 9.

The Rubinstein System in the French Defense with 3...d6 gives up Black's toehold in the center to open the game for a leveling exchange of pieces. White controls more space, but if Black can get enough pieces off the board, that would be of minimum value. In the particular form with 4 Ne4 Bd7 5 Nf3 Bc7, Black is already looking forward to the Caro-Kann-like 10...Bf4 Qf3 which braces the center against a breakthrough with a timely d5.

White's activity is thus limited in the center, so Shirov aimed for a kingside attack with 14 h4! Hubner did not want to await events passively, but invited tactical complications with 15...Ng6 16 h5 Nf4.

This gave Shirov the chance to sail in with 17 Qe3 Bd6 18 Ne4!, sacrificing rook for bishop after 18...Bf4 but breaking up the black king position with 19 Nf6 g4 and forcing Hubner to trap his own knight after 20 Qe4! f5 21 Qe2.

After 21...Bc2 22 Rcl f6 22...Qf4 23 g3 Nf3 24 Kc2 Qd2 is refuted by

25 Kf3 23 Qc3 Kf7 24 g4 Qf4, his king became the one vulnerable to attack. First he inhibited...e5 by 25 Re1 and after 25...Rg8 26 Kf1 Rae8 27 Qe3 Qh4, he got his king away from the threatened wing with 28 Kc2 Qh5 29 Kd2, giving up a second pawn rather than struggle riskily with 28 Qf3 Rg4.

Although Shirov wanted to exchange queens, he wasn't willing to do it with 31 Qe7!, which would improve the black pawn position after 31...Jg. After 31 Rf4 Rc3 32 Be2 Qg2 33 Qf3 Qf3 34 Bf3, he was ready to test the strength of his

FRENCH DEFENSE

White	Black	White	Black
Shirov	Hubner	Shirov	Hubner
1 e4	d5	27 Qc3	Qh4
2 d4	c5	28 Kf1	Rae8
3 Nf3	c4	29 Kc2	Qh5
4 Nc3	d4	30 Rcl	Rg8
5 Bb1	Bc8	31 Qe2	Rg4
6 Bg2	Nf6	32 Be2	Qg2
7 O-O	O-O	33 Qf3	Qf3
8 Nbd2	Qd6	34 Bf3	Kc3
9 Nf1	Qe7	35 Kd2	Rc3
10 Bc2	Qd6	36 Kf1	Rc3
11 Bb1	Qe7	37 Rf4	Rc3
12 c4	Rc8	38 Qe7	Rc3
13 Rcl	Nf6	39 Qf3	Rc3
14 Rf1	Qd6	40 Qf3	Rc3
15 Rg1	Qe7	41 Qf3	Rc3
16 Ne4	Bf4	42 Qf3	Rc3
17 Qe3	Bf4	43 Qf3	Rc3
18 Ne4	Bf4	44 Qf3	Rc3
19 Nf6	Bf4	45 Qf3	Rc3
20 Qe4	Bf4	46 Qf3	Rc3
21 Qe2	Bf4	47 Qf3	Rc3
22 Rcl	Bf4	48 Qf3	Rc3
23 g3	Bf4	49 Qf3	Rc3
24 h4	Bf4	50 Qf3	Rc3
25 Kf3	Bf4	51 Qf3	Rc3
26 Qc3	Bf4	52 Qf3	Rc3
27 Qc3	Bf4	53 Qf3	Rc3
28 Kf1	Bf4	54 Qf3	Rc3
29 Kc2	Bf4	55 Qf3	Rc3
30 Rcl	Bf4	56 Qf3	Rc3
31 Qe2	Bf4	57 Qf3	Rc3
32 Be2	Bf4	58 Qf3	Rc3
33 Qf3	Bf4	59 Qf3	Rc3
34 Bf3	Bf4	60 Qf3	Rc3
35 Kd2	Bf4	61 Qf3	Rc3
36 Kf1	Bf4	62 Qf3	Rc3
37 Rf4	Bf4	63 Qf3	Rc3
38 Qe7	Bf4	64 Qf3	Rc3
39 Qf3	Bf4	65 Qf3	Rc3
40 Qf3	Bf4	66 Qf3	Rc3
41 Qf3	Bf4	67 Qf3	Rc3
42 Qf3	Bf4	68 Qf3	Rc3
43 Qf3	Bf4	69 Qf3	Rc3
44 Qf3	Bf4	70 Qf3	Rc3
45 Qf3	Bf4	71 Qf3	Rc3
46 Qf3	Bf4	72 Qf3	Rc3
47 Qf3	Bf4	73 Qf3	Rc3
48 Qf3	Bf4	74 Qf3	Rc3
49 Qf3	Bf4	75 Qf3	Rc3
50 Qf3	Bf4	76 Qf3	Rc3
51 Qf3	Bf4	77 Qf3	Rc3
52 Qf3	Bf4	78 Qf3	Rc3
53 Qf3	Bf4	79 Qf3	Rc3
54 Qf3	Bf4	80 Qf3	Rc3

HUBNERBLACK

Position after 17...Bd6

### At Pentagon, Maneuvers for Powell Job

By Michael R. Gordon and Eric Schmitt  
*New York Times Service*

WASHINGTON — On Tuesday night, President Bill Clinton will be the host for an unusual soiree at the White House: The guests will be his 16 top military commanders.

For a handful of these admirals and generals, the occasion will test all their political and diplomatic skills. After dodging danger in Vietnam, logging long hours to make their superiors look good and maneuvering to reach the military's top echelons, they have emerged as the leading candidates to be the next chairman of the Joint Chiefs of Staff.

As General Colin L. Powell prepares to retire as chairman Sept. 30, the jockeying to succeed him has become one of the armed forces' chief preoccupations, and among the hottest topics of gossip in Washington.

The decision is as important to Mr. Clinton as it is to the Pentagon. Besides advising the

race is beginning to shake out. Pentagon officials said some of the early front-runners, like Admiral Paul David Miller, commander of U.S. forces in the Atlantic, have dropped from serious consideration. But a dark horse, General Joseph P. Hoar of the Marine Corps, General H. Norman Schwarzkopf's successor as commander of the U.S. Central Command, may be leading the pack.

For each president, the selection of a chairman of the Joint Chiefs has been based on a mix of résumé and instinct. President Ronald Reagan selected Admiral William J. Crowe Jr., then the head of the Pacific Command, after meeting the admiral in Hawaii and striking up good personal rapport.

President George Bush selected General Powell over General Robert Hartzel, the vice chairman of the Joint Chiefs of Staff, based on Defense Secretary Dick Cheney's recommendation and the general's White House experience as a national security adviser.

Admirals or army generals have filled the chairman's job for 11 years, so if tradition is a guide, an air force officer should get it. But the administration has said it would not be bound by history, throwing open the field.

By all accounts, General Powell's departure means there is a large role to fill. During his term, he was in most instances a conservative figure. He resisted military intervention in Bosnia, opposed a major restructuring of the armed forces' roles and missions and argued against accepting openly gay soldiers. He also developed enormous credibility with the public, played a major role in shaping national security policy and was as good a politician as he was a soldier.

While none of General Powell's potential successors is as renowned, Mr. Clinton will need a chairman who can project his sense of trustworthiness and authority.

Early handicapping puts General Hoar among the front-runners. As commander of the Central Command, he has experience in

joint operations. His post makes him responsible for military operations in Somalia and Iraq, where the Clinton administration began its first combat experience. The job as chairman of the Joint Chiefs has a diplomatic dimension, too, as it demands shoring up American ties in the Middle East and Southwest Asia.

Tall and articulate but not one to seek the spotlight, General Hoar handles himself well in public. "He looks the part," a Pentagon official said.

Mr. Marine has ever served as chairman of the Joint Chiefs. But that may be an advantage for the administration, as it would allow the White House to break ground.

Admiral Charles R. Larson is another top contender. As head of the Pacific Command, which stretches from the West Coast of the United States to the east coast of Africa, with 45 countries in between, he has polished his diplomatic skills.

Mr. Clinton met with the Admiral Larson in Hawaii, and the two even squeezed in a golf game.

The main air force candidate is General Merrill A. (Tony) Eide, the air force chief of staff. A finely rail-thin former fighter pilot who served in the crack Thunderbolt demonstration team as a young officer, he has met some criticism in restructuring the air force. His air force credentials are an advantage in an age in which gunboat diplomacy has been replaced by air strikes.

The lone army candidate is General John Shalikashvili, the Polish-born commander of the North Atlantic Treaty Organization who is overseeing the planning of air strikes in Bosnia.

General Shalikashvili has a sophisticated grasp of the European scene and favors expanded military contacts with Russia and other members of the former Warsaw Pact. But picking him would remove him from a critical post at a time of turbulence in Europe.

### For each president, the selection of a chairman of the Joint Chiefs has been based on a mix of résumé and instinct.

president on the use of military force while presiding over the shrinking armed forces, the new chairman must help ease the strain between a uniformed rank and file that still does not completely trust its commander in chief or his avoiding the draft in the Vietnam War.

Les Aspin, the secretary of defense, and W. Anthony Lake, the national security adviser, have already started winnowing the candidates. Mr. Clinton is expected to interview two or three of them before making his choice in early September.

As we have seen in the recent days," he said, "road travels in Mogadishu has become hazardous. Attacks have taken new dimensions, and we have to deal with that."

The UN has been criticized for patrolling Mogadishu mostly by helicopter and relying too much on American firepower from the air, risking civilian casualties, and leaving gunmen free to roam the streets.

A faction loyal to General Mohamed Farrah Aidid, the fugitive warlord who has been blamed by the UN special envoy, Jonathan T. Howe, for recent "terrorist attacks," denied responsibility for the U.S. deaths.

A statement released in Nairobi by General Aidid's Somali National Alliance, warned that retaliatory action by U.S. forces equipped with "the latest weaponry for mass massacres" would plunge Somalia into "full-scale war."

"We are sorry for what happened," said a spokesman for General Aidid in Mogadishu. "This action is not by us. It is by people who are opposed to stability and want to witness

### U.S. Vows Pursuit of Somali Killers of 4

Compiled by Our Staff From Dispatches

WASHINGTON — The chairman of the Joint Chiefs of Staff said Monday that American military forces would pursue those responsible for the deaths of four U.S. servicemen in the Somali capital, Mogadishu.

"Obviously we are interested in going after any of those responsible for the incident if we can find out who they are," General Colin L. Powell said.

The four American soldiers, part of a United Nations force in Somalia, were killed Sunday when a land mine blasted apart their military vehicle.

General Powell said that there was no new U.S. policy in Somalia but that "we will have to undertake more security operations."

Several dozen armored personnel carriers arrived in Mogadishu on Monday to bolster UN ground forces. The UN military spokesman in Somalia, Major David Stockwell, said the vehicles would make the multinational force more mobile on the ground in the face of hit-and-run attacks by Somali gunmen.

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"We are sorry for what happened," said a spokesman for General Aidid in Mogadishu. "This action is not by us. It is by people who are opposed to stability and want to witness

differences between us and the United Nations."

Only about 4,000 U.S. troops remain in Somalia, down from approximately 22,000 earlier this year, but they have been the target of snipers and drive-by shootings since the United Nations took control of the operation in May.

Sunday's deaths and the other attacks have prompted calls in some quarters to end the nine-month-old U.S. involvement in Somalia, where the UN command has about 20,000 troops protecting relief supplies.

The White House press secretary, Dee Dee Myers, traveling with President Bill Clinton in West Virginia on Monday, said however that no such plans were imminent.

Relief workers say the guerrilla warfare work that the UN force was sent to protect. Most aid workers have left Mogadishu, and the few remaining are holed up in their heavily fortified compounds.



# Style

## Blowing Kisses on Couture Circuit

By Alex Witche  
New York Times Service

**L**ONDON — Blowing kisses is an underrated art form. It takes a master to do it properly, which is totally straight. You can't mock the kiss, you can't mock the recipient, you certainly can't mock yourself. You must put your heart and soul into it, be overcome with the sheer delight of happening upon the object of your affection, just out of reach.

This is how it is when Tomasz Starzewski sweeps into lunch at Bice, a newly opened branch of the Italian restaurant. Sweeping is yet another art form, but it's not Starzewski's. He sweeps small, in the background, allowing the woman he has designed. If she is not wearing his clothes and is not much of a sweeper herself, well, that's paradise lost for you.

Today, Starzewski lights a Dunhill menthol and surveys the room. "Lovely to see you!" he calls to a woman at a nearby table, and indeed, his face is alight with joy. He has never been happier to see anyone — until he sees the next table. "Look around the room," he whispers excitedly. "That table is Harper's Bazaar. That one is Carier, the other is Gucci." He turns, breathless, for the finale. "And me."

Actually, it's sort of sweet that Starzewski is still so excited by the whirl of society ladies, celebrity ladies and royal ladies who come to his couture house, seeking out his brightly colored, highly theatrical evening wear. At 32, he is one of only a handful of couturiers in London, among the youngest, and possibly the canniest.

**H**e reaches beyond tightly circumscribed London society to a larger more international set for his clientele. And while most of his evening gowns start at \$15,000, his are in the \$5,000 range. The husbands just love him.

And Starzewski loves his customer. Nay, he dotes upon her. He is the fleetest summoner of waiters, the fastest draw in the West End with a cigarette lighter. When he meets a woman he is instantly agog; his only desire, as he says repeatedly, is to make her look good. And they love it.

"Seeing Tomasz is a whole event," one customer says. "You have coffee, he tells you the latest gossip, he makes you feel special. He really loves women and knows



Tomasz Starzewski is the fastest draw in London with a cigarette lighter.

how the clothes can accentuate their pretty parts while masking what's unflattering. He makes you feel beautiful."

Starzewski says: "I am not an innovator. I'm not going to change what fashion is about. My collection is formal, known for fun and color. We are interested in making a statement. I probably cater to quite a confident woman who doesn't want to hide."

Indeed, there are bubble-gum-pink satin evening coats, lavender jackets with bell sleeves, gowns of emerald velvet striped with mint silk, handbeaded dresses studded with pearls. Black is not much in evidence. "As you get older, the more color the better," Starzewski advises. "If a woman wants something dark I always suggest navy or chocolate brown, which are much softer. Black can be cruel."

A recent article in *Tatler* magazine proclaimed Starzewski's clothes "the sexy side of dowdy." He shrugs. "My clothes are not vulgar," he says. "I believe in mystery."

So do many of his customers, especially the very rich who will not allow him to mention their names — publicity is so common — and some of them, he says, will selfishly lie when asked who does their clothes. "Women are very funny as customers," he sighs. "Some will keep you a secret."

Like the Princess of Wales, Well, actually she doesn't keep the secret, he does. When the princess wears his clothes everyone knows it, but Starzewski keeps mum. "No one discusses the royal family," he says somberly. "It is a privilege of the royal family to discuss you."

The Duchess of York, it seems, merits a little less privilege since her separation from Prince Andrew. Formerly a customer of Starzewski's, she hasn't been around lately. "She's not really shopping right now," he says delicately. "She's still wearing my clothes, which I think is nice, but it's just not right for her now to be seen buying."

Ivana Trump has no such restraints; Starzewski says, "I've done her whole spring and summer wardrobe." She found the designer through Shakti Caine, Michael Caine's wife. Annie Lennox is also a customer. "She walked in off the street," he says. And here's a list of customers who give credence to Starzewski's claim that if he weren't a designer he'd be a therapist: Cosima von Bulow and Robert Maxwell's daughter Ghislaine. He calls both "dear friends," not to mention his other dear friend, Stephanie Powers: "I just did her wedding in Kenya to a lovely Frenchman. They both play polo."

**W**EDDINGS are a specialty of Starzewski's. He made quite a splash a few years back with Victoria Lockwood's sable-trimmed gown when she married Viscount Althorp, the Princess of Wales's brother.

"I have a list of 2,000 customers with a core of 150," Starzewski says. His couture and ready-to-wear grossed £1 million (about \$1.5 million) last year.

"My customer is a traveling customer," he says. "I have to think not only about London, but the south of France, the Vienna balls, Strasbourg, Palm Beach. And peo-

ple are more economical now. A suit can't be worn just once anymore. But the British by nature have never been like that."

So, what are they like? "I've seen an newly arrived in London come to his door, what would she need? A basic dinner suit," he says. "A dinner dress, and one long dress you could wear to a ball or a very smart dinner. There are very few balls here. We don't have a charity circuit like in the States. It's very private in England, how people dress up."

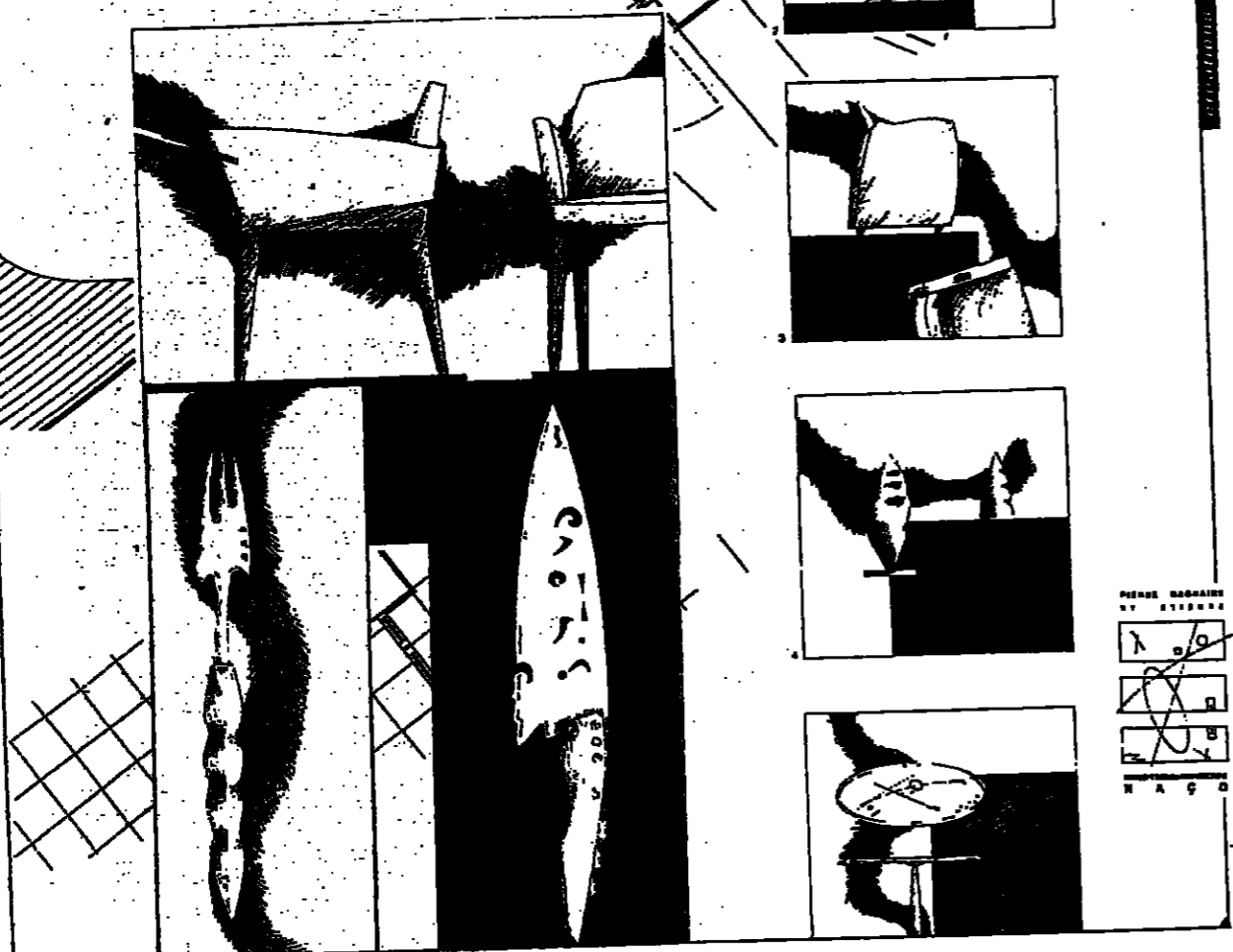
"You need to have a couple of day suits," he continues, "for lunch at Caprice, christenings, charity lunches, racing, weddings. Then you'd need a smart jacket for weekend house parties, a dinner dress and dinner suit. A tux for first nights at the theater or for dinner parties. And if you're going to Ascot, which is three days, you'll need three different outfits, two suits and a dress and a different hat each day. Gowns are for private dances, which are invariably held outside London. There were three big ones last week — one in Paris, which I did six dresses for."

"You see," he says, "I feel fashion is a service very easily misinterpreted as an art form. Some designers are true artists. A genius is St. Laurent, changing how women wear clothes. I'm not that. I just like women to look good. As a business, I find fashion to be very fickle and not particularly nice."

The garment industry is actually terrifying."

The Gucci table waves goodbye. So does Starzewski, settling back with a contented sigh. "I think I'm really quite lucky to have the gentlemanly side in fashion."

Designs for furnishings and cutlery for Pierre Gagnaire's three-star restaurant in a renovated Art Deco palace in Saint-Etienne.



## Blending Decor and Cuisine

By Christopher Petkanos

**S**AINTE-TIENNE, France — It is all very nice to be on the cutting edge of late 20th-century design, tweaking the snooty public in the country's grim industrial heartland with polished steels, on fireplaces crawling with insects and monumental sliding doors of shattered glass. But there is a price.

Determined to find out for herself this bristling, wildly colored chandelier was really made of hand-blown glass, a recent customer at Pierre Gagnaire's three-star restaurant here 65 kilometers (40 miles) southwest of Lyon stroked one of its spiguly-tailed elements a bit too enthusiastically. It snapped off in her hand.

That is perhaps not the worst of it. The 43-year-old chef and his impassioned architect, Alain Renk, 32, and Marcello Joulia-Lagares, 34, of Studio Nago in Paris, say they almost killed themselves bringing to fruition their white elephant of an Art Deco palace, built in 1932 by a pharmacist credited with inventing a miraculously beneficial liquor.

A bold and uncompromising essay in post-modernism, with fragrant references to the work of the Memphis group Ettore Sottsass founded in Milan in 1981, Gagnaire's eponymous establishment blasts away accepted notions of what a top-grade French restaurant should look and feel like.

Yet for his more than \$1.1 million spread over 1,000 square meters, he is often rewarded with rather well-padded provincial clients who know their way around an encyclopedic wine card but, alas, just don't look the part. Short sleeves, sandals with socks simply don't make it in this peppery, high octane, wilfully anti-establishment environment.

Restaurant design is a crowded business in France these days and too lucrative for even residential decorators to snub. In Paris, Jacques Grange did l'Avance, Bernard Pacaud chose Francois-Joseph Graf for l'Ambroisie, and Joel Robuchon brought over Nina Campbell from London for his Relais du Parc. Campbell has positioned herself as the latter-day Elsie de Wolfe and, what is more, has everyone believing it.

Everywhere your glance happens to settle chez Gagnaire, from rippling plates framing the light switches to the glass and mahogany

bins for soiled towels in the bathrooms, there is evidence of the designer.

The chef naively assumed he would have a big sign outside with his name on it until Renk, who is French, and Joulia-Lagares, who is Argentine, put him straight. "You're offering Saint-Etienne a work of art with this place," they told him. "Forget the sign."

Clients find the restaurant pure and restful or bare and aggressive, but no one disputes that it has been custom-designed — five different door handles, 40 light fixtures — to within an inch of its life.

The French food and design world has had its eyes trained hungrily on Gagnaire the audacious cross-cultural culinary wizard (i.e. lobster tempura crisped in clarified butter) since Michelin bumped him up from two to three stars in February.

This is, of course, the guide's ultimate rating, which leads to high-paying consultancy contracts and frozen foods with your picture on the package. Currently only 19 chefs have it. One of them is Bernard Loiseau, who has had the candor to admit that earth-shaking cooking alone will not bring a chef his third so-called macaroon: "You have to have magnificent decor, magnificent flower arrangements."

With this in mind, Gagnaire ascension is read on several levels. Many see it as a long-awaited signal that the conservative, uptight old Michelin is finally willing to acknowledge something other than the traditional if rather ho-hum, vulgar brand of luxury that Loiseau installed at his Chte d'Or in Saulieu in Burgundy. For its part, the guide has said that there is, indeed, such a thing as a chef spending too much money. This certainty comes as a surprise to those cranking for its recognition.

"Pierre's restaurant is like a film or book that unfolds in sequences or chapters," says Renk. "Superficially the spaces are quite easy to understand. Ivory walls, panels of color — that is the rapid first impression. Then little by little the details become apparent: a glass gem set in a cast aluminum door handle, wood-rimmed portholes looking into the kitchen. You can eat four or five times here and each time still discover something new. While the work was going on Pierre would ask us to taste new dishes he was developing, and we would show him new designs for tables, lamps, soap dishes, whatever. There was this constant game between us to go further and further."

The principals of Nago, which means intuition in Guarani, an Indian dialect of northern Argentina, did not hesitate to enlist the collaboration of artists and craftsmen. They include the designer of the French pavilion at Seville's Universal Exposition, Francois Seigneur, who "sculpted" a cube out of the restaurant's cream-colored facade by painting the central entryway white; Guillaume Saalbourg, who did the heroic glass doors; and Francois Baucher, who contributed the massive and uncomfortable-looking red bench in the reception area. An American, Scott Stagemann, did the glass chandelier, and giddy torchlike wall lights following Nago designs.

Next for Renk and Joulia-Lagares is the Odeon on London's Shaftesbury Avenue, where Bruno Loubet will be hanging his toque in May.

A lot has been made of how uncannily Gagnaire's cooking and Nago's stage set for it knit together. When dessert rolls around the two are especially complementary and mutually flattering. Saffron-scented cubes of mellow are the unsteady foundation for a layered tower of baba, crème patissiere, a flat almond-less tuile, and rhabarb marmelade. Licorice ice cream comes poised on a blistered puddle that turns out to be Italian meringue fished with fire.

"If the atmosphere Marcelo and Alain have created is not a reflection of my cuisine, it is at the very least the extension or translation of my desire to describe a universe that is my own," says Gagnaire. As for the much ballyhooed star, "Theoretically, the decor has nothing to do with it. The Michelin people aren't crazy you know. These are hard times. More than ever they are judging a man by his work. More than ever they are looking for cooking that expresses a personal style, something strong, real."

As concerns the decor, maybe too strong. "Some customers reproach the fact that there are so few paintings and green plants," says maitre d' Claude Dupont, who thinks a more classic setting would have warred with Gagnaire's food. "Some people just don't understand a blank ivory wall."

Christopher Petkanos is writing a history of the New York decorating firm Parish-Hadley, and a book on the culture of cuisine in Provence.

## STYLE MAKERS

### Porcelain Star

AN ARTIST'S PROMOTER

**T**RENTON, New Jersey — As the sixth of seven children of Italian immigrant parents, Helen Firmzolin Boehm sewed dresses for her junior high classmates in Brooklyn to help the family make ends meet. She never imagined that someday she would be hobnobbing with heads of state and royalty.

In 1944, at the age of 24, she married Edward Marshall Boehm, a special member of an animal husbandry unit of the U.S. Air Force who had a gift for creating animal figures from clay.

A. Mr. Boehm was a star in his own right, of course, but he was a very, very shy man. He was truly most at home with the animals he loved, and he hated interviews. So I had to do a lot of the talking for him. I think we were a wonderful team: the shy artist and his aggressive salesperson wife. Together, we made a whole.

Q. How did your husband get his artistic start?

A. After the war, he was working as an assistant to a veterinarian on Long Island, where we lived, and spending his nights making clay models of dogs and horses and birds. Our entire apartment was filled with those sculptures. But I hated watching Ed limp to art, his real passion, after he was exhausted from working all day.

Q. One night early in our marriage I sat down with him at our kitchen table and begged him to get serious about his art. After that, he began studying and going to museums, and I think we both knew then that our future would be in his art.

Q. What happened then?

Q. How did you find one?

A. We had a very rich client at the optical shop in Fifth Avenue. Some of our clients were very prominent, and I knew that what Ed needed was a baker.

Q. How did your late husband's works first get to the White House?

A. I wrote to Mrs. Dwight Eisenhower in 1954 about our operation, however in 1954 about our operation, and got a letter from the White House two weeks later with three cents postage due. I paid the three cents, and opened a letter inviting me to lunch at the White House. When I arrived, I presented a Hereford bull to the Eisenhowers.

Q. When your husband died in 1969 of a heart attack, some felt the company was so dependent on his talent that it could not survive without him. How did it continue?

A. There was an amazing omen right away. We were commissioned by President Nixon to create a new symbol of world peace. We decided on two mute swans, and it was the most difficult project we'd ever attempted. It took two years and 10 tons of plaster to make, and when the piece was finally finished, we learned that President Nixon was taking the mute swans as his gift to the people of China on his 1972 trip. I felt validated, and I felt stronger than I ever had in my life.

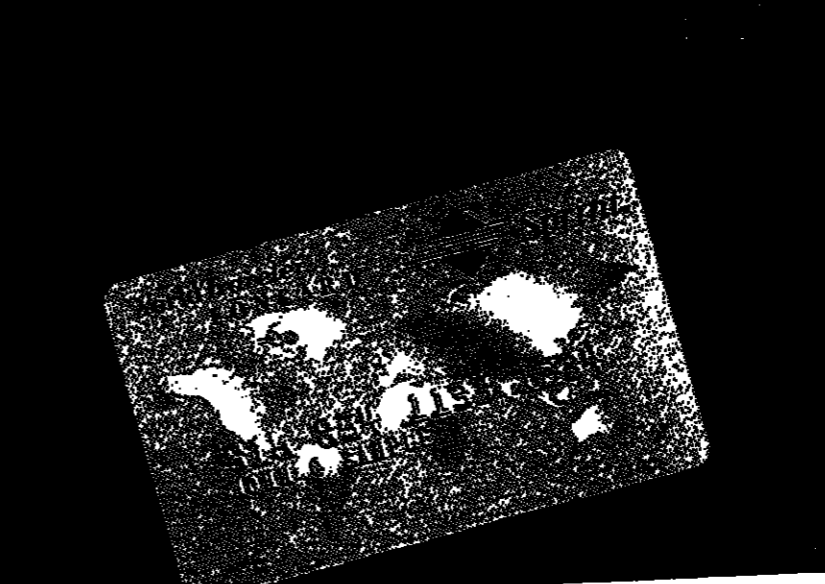
Q. You could easily retire. Why don't you?

A. I think energy is the gift I was born with. People energize me. Life energizes me. And so does beauty. I admit that I sometimes overdo things, but I live by this philosophy: "If you rest, you rust."

Sally Friedman

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Italy	0039-06-81
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سكنا من الأصل

# NYSE

## Monday's Closing

Tables include the nationwide prices up to the opening on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE High Low Labeled OTC

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
100.00	95.00	IBM	2.00	4.00	15.00	100.00	95.00	IBM	100.00
50.00	45.00	Microsoft	0.00	0.00	20.00	50.00	45.00	Microsoft	50.00
30.00	25.00	Apple	0.00	0.00	15.00	30.00	25.00	Apple	30.00
20.00	15.00	Oracle	0.00	0.00	10.00	20.00	15.00	Oracle	20.00
15.00	10.00	Sun	0.00	0.00	8.00	15.00	10.00	Sun	15.00
10.00	5.00	Northern	0.00	0.00	5.00	10.00	5.00	Northern	10.00
5.00	3.00	WorldCom	0.00	0.00	4.00	5.00	3.00	WorldCom	5.00
3.00	2.00	Verizon	0.00	0.00	3.00	3.00	2.00	Verizon	3.00
2.00	1.50	AT&T	0.00	0.00	2.00	2.00	1.50	AT&T	2.00
1.50	1.00	Qwest	0.00	0.00	1.50	1.50	1.00	Qwest	1.50
1.00	0.50	Sprint	0.00	0.00	1.00	1.00	0.50	Sprint	1.00
0.50	0.30	Level 3	0.00	0.00	0.50	0.50	0.30	Level 3	0.50
0.30	0.20	Windstream	0.00	0.00	0.30	0.30	0.20	Windstream	0.30
0.20	0.15	CenturyLink	0.00	0.00	0.20	0.20	0.15	CenturyLink	0.20
0.15	0.10	Optimum	0.00	0.00	0.15	0.15	0.10	Optimum	0.15
0.10	0.05	Telefonos	0.00	0.00	0.10	0.10	0.05	Telefonos	0.10
0.05	0.03	Telefonos	0.00	0.00	0.05	0.05	0.03	Telefonos	0.05
0.03	0.02	Telefonos	0.00	0.00	0.03	0.03	0.02	Telefonos	0.03
0.02	0.01	Telefonos	0.00	0.00	0.02	0.02	0.01	Telefonos	0.02
0.01	0.00	Telefonos	0.00	0.00	0.01	0.01	0.00	Telefonos	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
0.01	0.00	Alcoa	0.00	0.00	0.01	0.01	0.00	Alcoa	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
0.01	0.00	Alcoa	0.00	0.00	0.01	0.01	0.00	Alcoa	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
0.01	0.00	Alcoa	0.00	0.00	0.01	0.01	0.00	Alcoa	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
0.01	0.00	Alcoa	0.00	0.00	0.01	0.01	0.00	Alcoa	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
0.01	0.00	Alcoa	0.00	0.00	0.01	0.01	0.00	Alcoa	0.01

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Labeled	OTC
10.00	8.00	Alcoa	0.00	0.00	10.00	10.00	8.00	Alcoa	10.00
8.00	6.00	Alcoa	0.00	0.00	8.00	8.00	6.00	Alcoa	8.00
6.00	4.00	Alcoa	0.00	0.00	6.00	6.00	4.00	Alcoa	6.00
4.00	2.00	Alcoa	0.00	0.00	4.00	4.00	2.00	Alcoa	4.00
2.00	1.00	Alcoa	0.00	0.00	2.00	2.00	1.00	Alcoa	2.00
1.00	0.50	Alcoa	0.00	0.00	1.00	1.00	0.50	Alcoa	1.00
0.50	0.30	Alcoa	0.00	0.00	0.50	0.50	0.30	Alcoa	0.50
0.30	0.20	Alcoa	0.00	0.00	0.30	0.30	0.20	Alcoa	0.30
0.20	0.15	Alcoa	0.00	0.00	0.20	0.20	0.15	Alcoa	0.20
0.15	0.10	Alcoa	0.00	0.00	0.15	0.15	0.10	Alcoa	0.15
0.10	0.05	Alcoa	0.00	0.00	0.10	0.10	0.05	Alcoa	0.10
0.05	0.03	Alcoa	0.00	0.00	0.05	0.05	0.03	Alcoa	0.05
0.03	0.02	Alcoa	0.00	0.00	0.03	0.03	0.02	Alcoa	0.03
0.02	0.01	Alcoa	0.00	0.00	0.02	0.02	0.01	Alcoa	0.02
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INDEX

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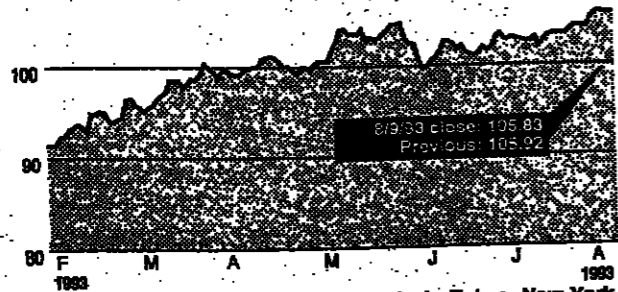


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International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries...



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Asia/Pacific Europe N. America

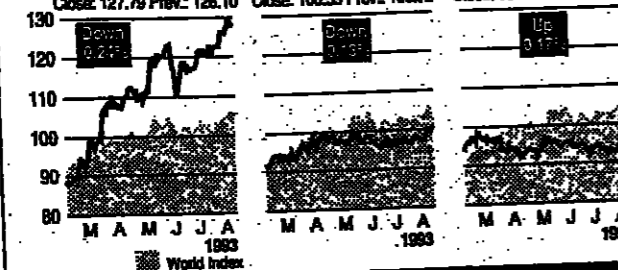


Table with 3 columns: Sector, Max. Price, % Change

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BA: Will a Minority-Stake Empire Jell?

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workers in families with incomes of less than \$180,000 a year were unlikely to pay higher taxes...

value because interest rates have risen, or perhaps because the credit quality of the issuer has declined since the bond came out.

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates

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MARKET DIARY

STOCKS: Prices at Record High

Continued from Page 9
nomic measures do little for economic growth, Mr. Solloway said. Although many analysts had expected the budget prices to pass, some of the uncertainty has been removed from the economic scene, Mr. Solloway said.

FRANC: Paris Tries a Rate Cut

Continued from Page 9
recent currency crisis," Mr. Holschuh said. He and many others in Europe now say that in spite of the nominal leeway afforded to France by the wider currency bands, it will be difficult for Paris to do anything other than what it did up until the spring — carefully follow German rate cuts with cuts of their own so as not to risk a collapse in the value of the franc.

While Britain had little to lose but its recession, France's investment in low inflation, a stable currency and a united Europe is vast. Economists point out that it has sacrificed, among other things, hundreds of thousands of jobs in an effort to lay the foundations for sound long-term growth in France and in Europe.

World Stock Markets

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Tokyo, and Zurich.

The Dow



NYSE Most Actives

Table listing the most active stocks on the NYSE, including volume, high, low, and change.

NYSE Diary

Table listing NYSE trading activity, including advanced, declined, and unchanged stocks.

Amex Diary

Table listing Amex trading activity, including advanced, declined, and unchanged stocks.

NASDAQ Diary

Table listing NASDAQ trading activity, including advanced, declined, and unchanged stocks.

Dow Jones Averages

Table showing Dow Jones averages for various sectors like Industrials, Utilities, and Chemicals.

Standard & Poor's Indexes

Table showing Standard & Poor's indexes for various sectors like Industrials, Utilities, and Chemicals.

NYSE Indexes

Table showing NYSE indexes for various sectors like Composite, Industrials, and Utilities.

NASDAQ Indexes

Table showing NASDAQ indexes for various sectors like Composite, Industrials, and Utilities.

AMEX Stock Index

Table showing AMEX stock index for various sectors like Composite, Industrials, and Utilities.

Dow Jones Bond Averages

Table showing Dow Jones bond averages for various sectors like 30 Bonds, 40 Industrials, and 100 Industrials.

Market Sales

Table showing market sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. odd-lot trading for various sectors like Buy, Sell, and Short.

S&P 100 Index Options

Table showing S&P 100 index options for various months and strikes.

EUROPEAN FUTURES

Table showing European futures for COCOA (LCE) and SMOOTH BUDRUMMARS (LIFFE).

Metals

Table showing metals futures for ALUMINUM (NYMEX) and COPPER (COMEX).

Financial

Table showing financial futures for 3-MONTH STERLING (LIFFE) and 3-MONTH EURODOLLARS (LIFFE).

Stock Indexes

Table showing stock indexes for FTSE 100 (LSE) and DAX 2000 (ISE).

Spot Commodities

Table showing spot commodities for Aluminum, Copper, and Silver.

To Our Readers

Dividend information was not available for this edition because of problems at the source.

U.S. FUTURES

Table showing U.S. futures for WHEAT (CBT) and SOYBEANS (CBT).

Metals

Table showing metals futures for NY GRADE COPPER (COMEX) and SILVER (COMEX).

Stock Indexes

Table showing stock indexes for NYSE DOW JONES (NYSE) and NASDAQ COMPOSITE (NASDAQ).

Financial

Table showing financial futures for U.S. TREASURY (CBT) and U.S. TREASURY BONDS (CBT).

Food

Table showing food futures for COFFEE (NYMEX) and SUGAR (NYMEX).

Stock Indexes

Table showing stock indexes for NYSE DOW JONES (NYSE) and NASDAQ COMPOSITE (NASDAQ).

Commodity Indexes

Table showing commodity indexes for SP COMMODITY INDEX (COMEX) and NYSE COMMODITY INDEX (NYSE).

Unisys Divides Itself into 3 New Units

BLUE BELL, Pennsylvania (Combined Dispatches) — Unisys Corp. announced Monday that it would divide its operations into three separate units and that Reto J. Braun, president and chief operating officer of the computer maker, had resigned.

IITC Holds to Ruling on Steel Imports

WASHINGTON (Reuters) — The U.S. International Trade Commission rejected Monday a request by major American steelmakers to reverse a vote that found the 12 companies were not being injured by certain imports of foreign steel.

Grace to Recall Dialysis Products

BOCA RATON, Florida (Bloomberg) — W.R. Grace plans to recall millions of kidney dialysis products because they might be contaminated with fever-causing chemical toxins, the U.S. Food and Drug Administration said Monday.

Delta Settles With Flight Dispatchers

ATLANTA (Bloomberg) — Delta Air Lines has negotiated a contract agreement with its flight dispatchers, ending six months of negotiations. The Professional Airline Flight Control Association, which represents 160 Delta flight dispatchers, agreed to accept a 5 percent pay cut and reduced benefits.

Sara Lee Net Up 11.8% in 2d Quarter

CHICAGO (Reuters) — Sara Lee Corp. reported Monday that earnings in the second quarter had risen 11.8 percent to \$190 million, reflecting strong unit volume growth in various product categories, combined with contributions from acquisitions completed over the past 12 months.

For the Record

Trade ministers from the United States, Mexico and Canada wrapped up negotiations on the North American Free Trade Agreement after failing to clinch a deal during 10 days of talks.

Weekend Box Office

Table showing weekend box office for 'The Fugitive' and 'Rising Sun'.

To Our Readers

Dividend information was not available for this edition because of problems at the source.

News of Meeting Boosts Oil

LONDON — World oil prices rose Monday, spurred by higher gasoline prices and a surprise announcement that the OPEC president, Jean Ping, would join a key meeting in Vienna on Tuesday.

Dollar Slips, but Recovers

The dollar fell in this European trading Monday, then recovered to stand unchanged against the mark in New York, Reuters reported.

Market Closed

The stock market in Singapore was closed Monday for a holiday.

Stockholm

Table showing Stockholm stock market activity.

Zurich

Table showing Zurich stock market activity.

For investment information

read THE MONEY REPORT every Saturday in the IHT

DAQ

Large table of market data including various stock and commodity prices.



# Germany Sees Lower Tax Revenue

*Compiled by Our Staff From Dispatches*  
**BONN** — The German government expects the recession to depress total tax revenue by 46 billion Deutsche marks (\$26.8 billion) in 1994, according to the government's savings proposal.  
 "The changed economic situation leads to strong additional burdens on the public-sector budgets," said Finance Minister Theo Waigel's proposal, which the cabinet is expected to approve Wednesday.  
 The proposal also said that Germany's gross domestic product in 1993 would decline as much as 1 percent, compared with the government's earlier forecast of zero growth. The government had predicted tax revenue would fall short by 12.5 billion DM because of the recession, but independent institutes forecast that the government would receive an additional 10 billion DM this year because of tax increases.  
 Mr. Waigel's bill proposes drastic spending cuts in social aid and unemployment pro-

grams in a bid to save 21 billion DM in 1994. The government wants to save 13 billion DM in federal social programs and on 9 billion DM in the Federal Labor Office's budget in 1994. The following year, it plans to save 26 billion DM, while in 1997 it wants to save 28 billion, the proposal said.  
 Economy Minister Ginter Rexrodt is scheduled to release the government's latest forecast for German economic growth on Tuesday. But on Monday, he estimated that real growth in East German GDP would be around 5 percent this year, compared with previous estimates of 5 to 7 percent.  
 Speaking at the inauguration of a telecommunications-equipment factory in Berlin, Mr. Rexrodt also defended the government's methods for revamping the East German economy, saying that "there is no credible alternative" to the government's policy of modernization and privatization.  
 He said the closure of factories is "inevitable

for the birth of competitive economic structures where socialism has left industrial ruin." Separately, the RWI economic research institute said in its annual steel report that West German crude-steel production would fall 5.4 percent to 34.7 million metric tons this year and 0.58 percent in 1994 to 34.5 million tons. All-German crude steel production fell 5.9 percent in 1992 to 39.7 million tons and is expected to fall again this year. But it added that any forecast was subject to "grave changes" as a result of political or corporate decisions due to the crisis in the European steel industry.  
 In a related development, Bayer Hispania Industrial SA, the Spanish unit of the German chemicals giant Bayer AG, said it would close its chrome-derivatives company Productos Electrolíticos SA, or Pesa, in September. A total of 200 workers will be laid off, a company spokesman said. Pesa is 75 percent owned by Bayer Hispania Industrial. (Knight-Ridder, Reuters, APX, Bloomberg)

# Lufthansa's Choices Dwindle as Airlines Talk Cooperation

*Compiled by Our Staff From Dispatches*  
**FRANKFURT** — Lufthansa AG's proposal to cooperate with Austrian Airlines could help reduce the threat from a potential alliance of European carriers, analysts said, but it would probably do little for the German carrier's competitive position in the long run.  
 "Lufthansa is the big loser in Europe when it comes to alliances," an airline-industry analyst said.  
 The carrier, which is majority-owned by the German government, has sought to preserve its identity as an independent national airline and has ruled out mergers.  
 Instead, it is seeking strategic agreements to enable it to survive in an industry that analysts predict will become dominated by a handful of large carriers.  
 The proposal that Lufthansa has made to Austrian Air could improve Lufthansa's efficiency if the Austrian carrier were to serve as a feeder into the Lufthansa system, industry analysts said.  
 And a Lufthansa-Austrian Air accord could reduce the impact of the proposed Alcazar alliance of European airlines, they said, but Alcazar still would be a potentially serious competitor to Lufthansa.  
 Alcazar envisages setting up a common management company as a first step toward forming a single airline by 1997. Austrian Air has been taking part in discussions on that alliance as well. But under a proposed cooperation agreement, it would have only a 10 percent stake in a joint operating company.

while the other partners — Swissair, Scandinavian Airlines System and KLM Royal Dutch Airlines — each would have 30 percent.  
 According to a weekend report in an Austrian newspaper, the Lufthansa proposal calls for Austrian to take over most of the traffic between Germany and Austria.  
 A Lufthansa spokesman said the plan was aimed at more efficiently using its routes and capacities, but he declined to provide details.  
 Separately, Austrian Air said Monday that it was also considering some form of cooperation with Air France. Its spokesman would not elaborate.  
 In addition to the Alcazar threat, Lufthansa still has not made any apparent progress toward curbing perhaps its greatest problem — the lack of an American partner.  
 "The more important step is to form a cooperation with one of the big three U.S. carriers," said Michael Broker, an airline analyst at Bank Julius Bar.  
 The North Atlantic once accounted for as much as 40 percent of Lufthansa's revenue. But Lufthansa has been finding it all but impossible to make a profit on that route because of fierce price competition and the lack of an American partner to feed Lufthansa's international flights.  
 North Atlantic revenue fell to 16 percent of the total in 1992 from 22 percent in 1989, Lufthansa executives have said. (Reuters, Bloomberg)

Investor's Europe			
Exchange	Index	Monday Close	% Change
Amsterdam	CBS 100	122.90	+0.14
Brussels	Stock Index	6,892.83	+0.14
Frankfurt	DAK	1,672.00	+0.16
Frankfurt	FAZ	724.33	-0.24
Helsinki	HEX	1,389.69	+2.78
London	Financial Times 100	2,574.30	+0.57
London	FTSE 100	2,566.40	+0.56
Madrid	General Index	270.08	-0.26
Milan	MIB	1,300.00	+1.48
Paris	CAC 40	2,158.92	-0.53
Stockholm	Aktieborsindexen	1,508.80	+0.65
Vienna	Stock Index	429.54	+1.26
Zurich	SBS	836.00	-0.12

# Russians Decry EC Curbs on Aluminum

*Reuters*  
**MOSCOW** — The Russian aluminum producers group warned the European Community on Monday that an EC plan to limit imports of the metal from the former Soviet Union would probably be ineffective.  
 A spokesman for Alumin, the producers group, said he had not yet been informed of the EC decision, announced Saturday, to limit aluminum imports from the Commonwealth of Independent States to 60,000 metric tons from now until the end of November. The EC Commission said the temporary limits, imposed following EC in-

dustry complaints about high imports depressing prices, were an emergency measure.  
 But in a statement issued last week, Alumin's foreign economic relations director, Sergei Zaitsev, said the limits helped multinational companies, not EC member-states.  
 "Introduction of sanctions on aluminum imports from the CIS will hardly give EC countries the desired result," his statement said. "They will damage EC countries not only politically but financially, since raw materials, food and industrial goods are bought there and paid for with aluminum worth \$250

to \$300 million a year." He added that "the vacuum formed on the European market will be filled by aluminum from other regions of the world."  
 In Paris, meanwhile, one of the EC's largest aluminum producers said that the temporary quotas might not trigger a price surge but would improve prospects for the industry. "It's not necessarily going to have an immediate impact on prices on the London Metal Exchange," a Pechiney spokesman said, "but for us, it raises hope we can solve the problem," a reference to Russian imports, "within the next few months."

In the United States, meanwhile, the Aluminum Association, an industry group, called the EC move a "shortsighted action" that "would further compound the disruption in the global aluminum market."  
 "What is needed," said the association in a letter to the U.S. trade representative, Mickey Kantor, "is not protectionism, but the establishment by government of rules of transition which will enable CIS aluminum producers to adapt to the laws of economics, the established world trading system and to implement modern environmental health and safety improvements."

# HEWLETT: Europeans Can Compete With Asians, Analysts Argue, as Soon as They Learn to Innovate

*Continued from Page 1*  
 International Institute for Management Development in Lausanne and a key participant in the business school's Manufacturing 2000 project.  
 "Sure, there are some manufacturing processes where low wages help, but there are so many other more important factors that determine today which major businesses will succeed," Mr. Volkmann said. "Low-wage competition should be the least of our worries."  
 For Hewlett-Packard, Barcelona was the best solution to a complex puzzle. Pressed to consolidate its worldwide printer operations at the most efficient sites, Barcelona won out as one of two locations because it was best placed to supply the vital European market and was capable of doing so at a reasonable cost. The decision will add 200 jobs immediately to Barcelona's existing factory, with the potential for many more once further production facilities are built.  
 There is little doubt that overall wages and benefits in some European countries, such as Germany and Sweden, have soared to levels that can no longer be

supported by the underlying productivity and competitiveness of their industries. They undoubtedly will be squeezed in the relentless pressure of rising unemployment and global economic restructuring. Competition rates in the German machinery sector, for example, averaged nearly \$21 an hour in 1991, compared with \$9.08 in Spain, \$4.55 in South Korea and \$2.60 in Chile.  
 Yet Europe's most valuable companies, rather than fighting the trend toward paying higher wages for higher skills, have proven especially ingenious in adapting to it.  
 Konrad Seitz, Germany's ambassador to Italy and a long-time advocate of policies to encourage a move away from what he calls the 19th century industries such as steel-making and textiles to 21st century sectors like telecommunications and genetic engineering, argues that aging, high-cost Europe cannot win by trying to play the same game as East Asian developing countries, with their young and burgeoning, yet increasingly well-educated, labor forces.  
 "It is obvious that we will not be able to solve the

problems of competition from the newly industrializing countries by cutting down on wages," he said recently. "We have to shift the manufacture of simple products and simple activities to low-wage countries, thus enabling us to keep at least those activities which have a high-end product — design, development, construction and production of complicated systems."  
 Actually, that will not be so simple, given the fast pace at which some East Asian and Latin American nations are already moving up the industrial ladder into such sectors as semiconductor manufacturing and software programming. But, along with efforts to create more flexible labor markets that block many younger, less-educated people from productively entering the workforce, such an approach holds out the only realistic hope for sustaining European prosperity.  
 "It is high-productivity jobs, not just any jobs, that translate into high national income," said Michael Porter, the high-profile Harvard Business School professor who wrote "The Competitive Advantage of Nations." He added: "The pursuit of competitiveness defined as a trade surplus, a cheap currency or low

unit labor costs contains many traps and pitfalls."  
 The example of Hewlett-Packard, which receives 40 percent from European revenues, demonstrates both some of the pitfalls awaiting companies heavily committed to Europe and some of the best ways of avoiding them. While Hewlett-Packard's worldwide employment has been shrinking slightly, it has actually increased jobs in Europe by a modest amount in recent years to 20,000 workers in more than 20 countries. But that kind of recent success wasn't easy.  
 Consider the tortuous route the company followed before finally finding a foothold in the fiercely competitive personal computer industry. Palo Alto-based Hewlett-Packard, founded in 1939 and long established in what was to become Silicon Valley, failed in its first two attempts to break into the personal computer market. In the early 1980s, driven by engineering values rather than marketing ones, it delayed introducing its own already-built personal computer until after IBM launched its own product, which quickly emerged as the industry standard.

**Very briefly:**

- The French government said it had appointed Lazard Frères & Co. to advise it on its planned sale of Banque Nationale de Paris and named Banque Indosuez, the merchant-banking arm of Compagnie de Suez SA, to advise it on the sale of Rhodie-Poulenc SA.
- The European Bank for Reconstruction and Development said it would announce the name of its new president on Aug. 19.
- Petrofina SA, the Belgian oil company, said first-half net income had fallen 8 percent to 3.83 billion Belgian francs (\$105.5 million), and cited weak economies in Europe and the United States.
- The Woolwich Building Society said it posted a profit of £88 million (\$131.5 million) in the first half, more than double the £36 million it earned a year ago. Mortgage lending rose to £1.6 billion from £1.2 billion.
- France does not have plans to issue foreign-currency bonds to help replenish its foreign reserves, a Treasury official said. But he did not rule out an issue in European currency units.
- Greece's phone company was struck by workers who began a week-long action to protest a government bill to sell 49 percent of the company.
- Ferruzzi Finanziaria SpA's creditor banks will not convert loans to the group into equity, a Ferruzzi official said.
- Assurances Générales de France said revenue in the first half rose 7.1 percent, to 32.35 billion francs (\$5.43 billion), as life-insurance revenue in France rose 13.1 percent. (Reuters, APX, Bloomberg, Knight-Ridder)

# Investor AB Shares Sag 4.8%

*Bloomberg Business News*  
**STOCKHOLM** — Shares in Investor AB, a leading Swedish investment company, fell 4.8 percent Monday on the Stockholm stock exchange after the crash of a military aircraft built by one of its units.  
 The jet, built by Saab Military Aircraft, crashed Sunday after the pilot lost control and ejected at an air show in central Stockholm.  
 Investor shares fell 7 kronor to 139 kronor (\$17.33) in heavy volume on fears that the accident, the second to hit the Jas 39 Gripen model, could threaten the future of the aircraft, one of the company's major projects.  
 Officials excluded human error as the cause of Sunday's accident. Defense Minister Anders Bjork said Monday that other Jas 39 Gripen jets would be grounded until the accident's cause was determined.

# NASDAQ

**Monday's Prices**  
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yield	PE	52	High	Low	Latest	Change
100	90	IBM	3.00	3.00	15	100	100	95	100	+5
120	110	Microsoft	0.00	0.00	20	120	115	120	118	+2
80	70	Oracle	0.00	0.00	25	80	75	80	78	+2
60	50	Sun Microsystems	0.00	0.00	30	60	55	60	58	+2
40	30	Lucent Technologies	0.00	0.00	35	40	35	40	38	+2
20	15	VeriFone	0.00	0.00	40	20	18	20	19	+1
10	8	WorldCom	0.00	0.00	45	10	9	10	9.5	+0.5
5	4	Qwest Communications	0.00	0.00	50	5	4.5	5	4.8	+0.2
3	2	Level 3 Communications	0.00	0.00	55	3	2.5	3	2.8	+0.3
2	1	Global Crossing	0.00	0.00	60	2	1.5	2	1.8	+0.3
1	0.5	Opticon Networks	0.00	0.00	65	1	0.8	1	0.9	+0.1
0.5	0.4	Opticon Networks	0.00	0.00	70	0.5	0.4	0.5	0.45	+0.05



NYSE Monday's Closing

Tables include the nationwide price up or down the closing on Wall Street and do not reflect price changes elsewhere. Via The Associated Press

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993 High, Low, Last Sale, Change. Lists various stocks and their performance.

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BA: Pioneering the New Empire of Minority Stakes Throughout the World

Continued from Page 9
analyst at Swiss Bank Corp. in London. The glaring weakness in BA's strategy is that, of necessity, it rests on the treacherously uncertain footing of minority stakes rather than outright control.

two future investment tranches to over 30 percent. The final tranche would give BA what it has long sought, the power to veto major board decisions. The absence of such power is widely seen as having cost KLM Royal Dutch Airlines millions in its minority investment in North-west Airlines.

Yamaichi Securities. "They have had a major cash outflow into investments that are out of their control." Merely monitoring their new holdings, much less pulling them together into a cohesive whole, also eats deeply into the daily diaries of BA executives. Coordinating groups and sub-groups have been set up and endless meetings must be attended. Sir Colin, for instance, already plans to attend all six USAir board meetings every year plus a couple of the four at Quantas.

Sir Colin makes no secret of the fact that he would prefer a more powerful lever, but those ambitions in the United States, Australia and indeed other markets are stymied by local restrictions on foreign ownership of airlines. BA's stake in USAir, for instance, stands at 24.6 percent, a stake that is scheduled to rise via

"I think that BA has gotten too big, too quickly," said Ian Remington, an analyst with

—ERIK IPSEN

INTERNATIONAL FUNDS

Quotations supplied by funds listed. Net asset value quotations are supplied by the funds listed with the exception of some quotes based on issues prices.

Table listing various international funds with columns: Fund Name, Class, Net Asset Value, and other details.

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# China Says Farms Lag Industry In Profits

Compiled by Our Staff From Dispatches  
BEIJING — China's agriculture minister warned of the widening gap between the country's 200 million urban rich and 900 million rural poor and said farming must be made more profitable, in an interview published Monday.

Liu Jiang cited the mounting economic struggles of China's farmers in an interview with the semi-official China News Service.

"The biggest problem in China's agriculture is how it has fallen behind industry," he said. "Purchase prices for farm goods are low, while farm inputs are more expensive. The profitability of farming is declining and farmers are losing their motivation."

In the four decades since the communist revolution, annual industrial growth had been as much as four times as fast as agricultural growth and the gap was growing, he said. In the first five months of the year, China's industrial production surged 25.1 percent from the year-earlier period in 1992, the official China Daily newspaper reported over the weekend.

Talking county, Henan Province's top grain-producing area, vividly illustrates Chinese farmers' plight. Since 1984, the costs of fertilizer, pesticide, fuel and plastic sheeting had risen 92 percent but the price of grain had increased only 59 percent, a Taikang official said in a letter in Sunday's official Economic Daily. "The government must give preferential financial and other policies to agriculture," the official said.

Another burden for farmers is heavy taxation and the likelihood of being paid in IOUs for their produce.

Chinese peasants reaped more each than IOUs, with this year's summer harvest, the Agricultural Bank of China reported, according to the China Daily. The bank reported spending 126 billion yuan (\$22 billion) for the purchase of cereal grains in July, the English-language daily said.

The use of promissory notes by the government to pay peasants for their crops has been a principal source of discontent in the Chinese countryside since the beginning of the year. (Reuters, Knight-Ridder, Agence France-Press)

# A Cleaner Thai Market Set to Grow

By Philip Shenon  
New York Times Service

BANGKOK — Thailand's stock market was long compared to a casino in which the games of chance had been rigged. Insider information was widely circulated. Market manipulation was rife.

And for years no one much minded, since Thai investors from all walks of life made money as the market boomed along with the economy. The national motto — *and pen rat*, or "never mind" — seemed to apply.

But for most of the last year, the government has tried, with some success, to make the 18-year-old Stock Exchange of Thailand a more respectable place to do business.

In April, the country's Securities and Exchange Commission — which was only set up last year — charged 30 investors with having conspired to manipulate shares of four companies, generating ill-gotten proceeds of around \$40 million.

Those charged in the case included several Thai friends at the highest levels of the government, a fact that impressed some of those who had worried that the securities watchdog would prove to be toothless.

Other large stock traders pulled out of the market this spring when their names appeared on a list of more than 120 investors linked to securities violations that was leaked to Thai newspapers.

The immediate effect of all this was to drag down shares, as the traders most likely to boost prices through insider deals began lying low. And despite the essential soundness of the economy, large foreign institutions became skittish about committing their money.

Adding to investors' anxiety was last year's political turmoil, especially after street riots in May 1992 left more than 60 people dead in Bangkok, many of them pro-democracy demonstrators seeking the end of military domination. Thailand had three governments last year before finally settling on one led by Prime Minister Chuan Leekpai.

The Stock Exchange of Thailand, or SET, index, which had nearly topped the 1,000-point barrier back in January, fell back below 830 by June, even as stock markets elsewhere in the region were rising to records.

The worst may be over, however, and traders say that the stock market, more comfortable now with the idea of having a watchdog in its midst, could be ready for a period of dramatic growth.

Russell Kopp, assistant director of Baring Research in Bangkok, said that while another correction may be in store soon, as some weak corporate earnings reports come out, the market's long-range appeal is great.

"Before we see 1,000, it's quite likely we'll see a drop back below 900," he said. "But I do think 1,000 is in sight." The index closed Monday at 952.77, down 6.07.

In its most recent assessment of the Thai exchange, Morgan Stanley said that it "has the potential to be, if not the best-performing market in Asia-Pacific, certainly among the top three" for the rest of the year.

The market also should benefit from what is by Thai standards a stable political climate. Mr. Chuan, a soft-spoken lawyer who seems committed to democracy, easily survived a recent confidence vote in parliament and seems likely to hold his job for at least another year. The coup-prone military appears to have made its peace with him as well.

An old problem for investors in Thailand, and one that is unlikely to go away soon, is that the Thai economy is not well represented in the stock exchange listings.

The exchange has grown rapidly and is today the world's 10th largest, just ahead of Bombay and just behind Taipei. It went from a capitalization of about \$9 billion in 1988 to more than \$60 billion today, from 141 listed companies five years ago to 340 now.

But the listed companies do not include some of the large manufacturers that are the powerhouse of the Thai economy. They are often so profitable that there is no reason for their owners, who are often foreigners, even to consider going public.

Instead, the stock market is dominated by banks, financial firms and real-estate concerns, all of which are facing a comparatively difficult year.

# Bulls Return to China as All 4 Stock Indexes Advance

Compiled by Our Staff From Dispatches

SHANGHAI — All four Chinese stock indexes advanced Monday as investors turned optimistic that the market has bottomed out, dealers said.

Shanghai's index of A shares, or shares currently available only to Chinese citizens, benefited the most, gaining 41.11 points to close at 885.27. Rumors that Vice Premier Zhu Rongji had declared China's current financial clampdown almost over bolstered sentiment, dealers said.

Signs of life also re-emerged in the Shanghai B share market, where 10 of the 12 listed issues saw turnover, compared with an

average of three or four a day over the past several months. The index rose 1.69 points to close at 53.94. Class B shares are traded in Shanghai and Shenzhen but are denominated in U.S. or Hong Kong dollars and are available only to foreigners.

In the market in the special economic zone of Shenzhen, the A index rose 14.35 points to 254.6199, and the B-share index gained 0.71 to end at 81.3439.

Meanwhile, Merrill Lynch, the manager of China's first global stock listing, on Monday blamed the poor performance of Shanghai Petrochemical Co.'s stock at its debut last month on negative

reports on the Chinese economy. A total of 1.68 billion Shanghai Petrochemical shares were offered on the Hong Kong and New York stock exchanges in late July. It was the first time a company had been listed simultaneously on the two exchanges and the first direct listing of a Chinese company on the New York market.

The stock performed poorly on both markets and has only recently rebounded to the initial issue price. It ended its first day of trading July 26 at \$20.25 in New York; it was trading there Monday at \$20.50.

"The recent announcements by the Chinese government with regard to slowing down the economy and reducing growth of inflation had quite a negative effect on investors' sentiments toward China," Malcolm Binks, Merrill's managing director of investment banking in the Asia-Pacific region, said at a news conference.

The dismal performance of China Tire Holdings, another China stock floated on the New York exchange at about the same time, also caused investors to stay away.

The Shanghai Petrochemical offering was oversubscribed by a factor of 1.77 in Hong Kong and a factor of two in New York, a weaker response than had been expected.

# Australia Settles Nauru Suit

Reuters

NAURU — Australia reached a \$73 million compensation deal with the Pacific island state of Nauru on Monday, ending a 30-year dispute over environmental damage to the island from phosphate mining.

The out-of-court settlement was announced by Prime Minister Paul Keating and the Nauru president, Bernard Dowiyogo.

In assuming responsibility for the damage caused by mining, Australia said it would seek contributions from New Zealand and Britain, which governed the island under a United Nations trusteeship until 1947.

# JAPAN: On Trade and Economics, New Cabinet Reads From Old Script

Continued from Page 1

ministries and to head off criticism from the Liberal Democrats in order to focus on political reform.

But the strategy is not without risk. A lack of swift and bold measures to stoke the economy or improve market access risks undermining the new coalition by prolonging the recession and heightening trade tensions, analysts said.

The economy is at a critical juncture, said Masako Sasaki-Smith, an economist at Morgan Stanley. "If there's no blueprint for how to get the economy out of its downward spiral," Japanese financial markets and business leaders greeted the appointments with lukewarm praise. The Tokyo stock market's key Nikkei index rose 135.11 points, or 0.7 percent, to 20,493.05.

Takeshi Nagano, president of the Japan Federation of Employers' Associations, said, "I feel a sense of stability because there are able and influential persons in key posts with each party's power balanced."

Foreign governments pushing Japan to pump up its economy and open its markets,

however, may be disappointed by comments Monday that suggest the new Japanese government will not be more accommodating. That could complicate things for Mr. Hosokawa, who is reportedly making arrangements to visit President Bill Clinton in late September.

The new finance minister, Mr. Fujii, whose time as a bureaucrat at the ministry was spent mostly in the powerful Budget Bureau, sounded just like his predecessor, Yoshihiro Hayashi. In his first news conference, he stated that pump-priming measures adopted this year would be felt by fall; that income tax cuts would not be used to boost the economy; that deficit financing must be avoided; and that numerical targets like those sought by the United States to measure progress in opening Japan's markets violate principles of free trade.

He said, however, that an additional economic stimulus may be necessary this fall; possible measures included tax incentives on housing and corporate investment. He also left open the possibility of a sweeping tax overhaul that would reduce income taxes while raising taxes on consumption.

The new trade minister, Mr. Kumagai, a

straight talker who has studied at Harvard and who openly criticized former Prime Minister Kiichi Miyazawa's economic policies for failing to address structural problems, also sounded familiar there. He warned against using "managed trade" to reduce Japan's trade imbalance with the United States and said the Uruguay Round of global trade talks held the key to maintaining the free-trade system.

"I can understand America's irritation over the surplus, but I would like to make efforts to avoid managed trade," he said.

On the domestic economy, he was surprisingly direct. "If you think the current economic slump is cyclical, as the government did for the last three years, you are wrong," he said. "The Japanese economy is suffering seriously, and Japan needs overall change in the present system to reconstruct its economy."

Deregulation was a key to enlivening the economy, Mr. Kumagai said, specifically criticizing collusive business practices such as bid-rigging and price-setting. He said he was prepared to take whatever steps were needed to make the economy healthier, but he said there was no need for any immediate fiscal measures.

Investor's Asia			
Exchange	Index	Monday Close	Prev. Close
Hong Kong Hang Seng		7,566.77	7,586.77
Singapore Straits Times		1,871.25	
Tokyo Nikkei 225		1,844.90	1,842.80
Sydney All Ordinaries		2,498.08	2,487.94
Kuala Lumpur Composite		778.87	778.86
Bangkok SET		952.77	958.84
Seoul Composite Stock		708.89	716.89
Taipei Weighted Price		4,052.73	4,026.84
Manila Composite		1,715.96	1,744.07
Jakarta Stock Index		364.52	362.61
New Zealand NZSE-40		1,903.64	1,895.99
Bombay National Index		1,121.20	1,121.20

# Very briefly:

- The Philippines said it planned to sell up to 40 percent of the state-owned Philippine National Oil Co. by December.
- Cross-Harbour Tunnel Co. said it sought to raise \$106.5 million by offering new shares to existing stockholders in order to finance a third Hong Kong harbor tunnel.
- Attorney General Jeremy Mathews of Hong Kong ordered a reopened inquest into the deaths of two workers at Castle Peak Power Co.
- Inquest into two more 737-300 Boeing jetliners, the 34th and 25th planes that China has bought from the company this year.
- The Bank of Taiwan cut its prime lending rate by 0.125 of a percentage point, to 7.875 percent.
- Singapore's gross domestic product grew by 8.7 percent in the first six months of 1993, and by 10.1 percent in the second quarter.
- RTZ Corp. said it would sell stakes in its Lithbr gold project in Papua New Guinea to Niugini Mining Ltd. and Venezuelan Goldfields Ltd.
- Wharf Cable, a subsidiary of Wharf Holdings, began testing the first of 14 satellite transmitters that will eventually provide round-the-clock cable-television programs to Hong Kong.

# Taiwan Inquiry Ousts 15 in State Firms

Agence France-Press

TAIPEI — The Taiwan government's oversight committee voted on Monday to oust 15 officials of state companies implicated in a \$174 million scandal, the chairman of a review board said.

The action was taken against 10 officials from Chinese Petroleum Co. and five from Tang Eng Iron Works, according to a member of the oversight group, Chen Chin-teh, who chaired the investigation.

He said the government would refer the matter to the public prosecutor's office.

The five Tang Eng officials include the company president, Andrew Yen, the son of Yen Chia-tan, a former president of Taiwan.

Mr. Yen, who has been detained since May, was formally charged with corruption in late July for allegedly collaborating with the CPC and Tang Eng officials to swindle money when the state company contracted with a U.S. firm.

# AMEX

Monday's 3 p.m. Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Div	Yld	PE	100	High	Low	Latest	Chg
37 1/2	37 1/2					37 1/2	37 1/2	37 1/2	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	

12 Month High	Low	Div	Yld	PE	100	High	Low	Latest	Chg
37 1/2	37 1/2					37 1/2	37 1/2	37 1/2	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	

12 Month High	Low	Div	Yld	PE	100	High	Low	Latest	Chg
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2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	

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2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
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201	201					201	201	201	
1.14	1.14					1.14	1.14	1.14	
2.67	2.67					2.67	2.67	2.67	
201	201					201	201	201	

# GDP Up 5.3% In Hong Kong

Agence France-Press

HONG KONG — Hong Kong's real gross domestic product grew 5.3 percent in the first quarter from a year earlier, bolstered by healthy private investment and consumption, the colony's statistics department said Monday.

Investment surged 7.2 percent in real terms, with machinery and equipment spending rising 19.1 percent during the first three months to March 31. Private consumption was up 7.1 percent while government spending dropped 0.4 percent.

Imports of 135.2 billion Hong Kong dollars (\$17.4 billion) exceeded exports of 126.2 billion dollars during the quarter.



# SPORTS BASEBALL

## Yankees Set Up A Showdown With Red Sox at Fenway

*The Associated Press*  
The stage at Fenway Park is all set for the chapter of the Yankees-Red Sox feud.

One of the most storied rivalries in baseball history picks up again for a three-game series starting Tuesday night. The two teams are fighting with Toronto and Baltimore for first place in the American League East.

After the Yankees, the Blue Jays stop by for a three-game series.

The Yankees gained some ground on the Red Sox by beating without an error end in the third when he misplayed a single to center by Gary Redus.

In earlier games, reported in some Monday editions:  
Orioles 7, Indians 6: Mike Devereaux's sacrifice fly with one out in the 11th inning against visiting Cleveland gave Baltimore its seventh straight victory.

With one out, Mark McLemore doubled off the right-center field wall and advanced to third on a wild pitch by Eric Plunk. Devereaux then lifted a fly ball to medium right field and Wayne Kirby's throw home was wide.

Tigers 5, Red Sox 1: In Detroit, Cecil Fielder ended a slump with two homers and five RBIs and former Sox Tom Bolton gave up one run in eight-plus innings.

Bolton won for the first time since April 26, allowing five hits and one walk. He struck out four while starting for the injured David Wells.

Detroit took a 1-0 lead off John Dopper when Fielder led off the second with his 27th homer, a shot deep into the left-field upper deck. It was his first homer since July 26, ending a streak of 11 games. He hit his 28th homer in the seventh, a three-run shot.

Royals 4, Athletics 3: Rico Rossy hit a bloop two-run single in the fourth and later scored on Brian McRae's RBI single to lead Kansas City to victory in Oakland.

Hipolito Pichardo got relief help from Mark Gubicza, Stan Belinda and Jeff Montgomery for only his second victory in seven starts. Montgomery got the last four outs for his AL-leading 34th save.

Troy Neal drove in all three Oakland runs. Ron Darling allowed nine hits in his first complete game in 34 starts.

Ricky Bones pitched the first complete game of his career, giving up seven hits and striking out four.

Vaughn hit a solo homer in the second. He was hit in the left elbow in the fourth and later scored on a double-play grounder, and hit his 24th homer in the sixth.

Angels 2, White Sox 1: Mark Langston pitched four-hit ball for 7 1/2 innings as California beat first-place Chicago at Comiskey Park. The White Sox have lost four of their last five games.

Langston gave up one run and four walks, while striking out five to go to 3-0 against Chicago in 1993. Mike Butcher got the final four outs for his fifth save.

Rangers 7, Mariners 1: In Arlington, Texas, Seattle reliever Brad Holman was hit in the forehead by a line drive, apparently fracturing his sinus cavity in the Mariners' loss to Texas.

Holman, who was hit by Mario Diaz's liner in the seventh, was awake and alert at a local hospital after being taken off the field on a stretcher, and a Mariners' spokesman said a CAT scan revealed "no serious injury."

Juan Gonzalez hit his AL-leading 33d home run and rookie Steve Dreyer won his major-league debut for Texas. Ken Griffey Jr. tied a Mariners record with his 32d home run in the ninth, matching the team mark set by Gorman Thomas in 1985. But Griffey had his AL record of 573 consecutive chances



Snaring the throw, Chicago's Joey Cora couldn't stop the steal at second by the Angels' Luis Polonia.

## Victory Handshake for Rockies' Sanford

*The Associated Press*  
After more than a week with the Colorado Rockies, Mo Sanford was missing a really strong handshake.

Sanford helped end the Rockies' 13-game losing streak — the longest in the majors this season — by throwing seven strong innings in a 5-2 victory Sunday over the Padres in San Diego.

Sanford's contract was purchased from Colorado Springs on July 29. The Rockies hadn't won since beating St. Louis in Denver on July 24.

"I was telling the guys that I haven't shaken any hands after the games since I've been here," Sanford said. "I wanted to win really bad. I'm not going to say I took it on myself to win, but I just wanted to keep the team real close so we'd have a chance to win."

Sanford had plenty of help.

Vinny Castilla had a two-run triple, Danny Sheaffer two RBIs and Charlie Hayes doubled twice and scored two runs.

The Rockies seemed rejuvenated after having Saturday off. Hayes legged out a double in the second. Although he was later thrown out at the plate, he was wanted to inspire his teammates.

"It was just out there trying to set the pace, trying to get it done," Hayes said. "Dragging around, feeling sorry for yourself, there was no reason to. We've just got to keep going hard. I didn't think it could get any worse."

Sanford, making his second start and third appearance for the Rockies, allowed one earned run on five hits, struck out five and walked five. The Rockies took a 3-0 lead with two outs in the fourth. Sheaffer singled for the first run

before Castilla's two-run triple, which short-hopped off Phil Plantier's glove and rolled to the left-field fence. Hayes doubled leading off the sixth, moved up on Jerard Clark's ground-out and scored on Sheaffer's sacrifice fly to make it 5-1.

Tony Gwynn scored San Diego's first run in the fourth when Derek Bell hit into a double play. Alex Cole added another run for Colorado in the fifth, scoring before Daryl Boston was thrown out trying to steal second, completing an inning-ending double play.

Astros 4, Giants 1: Mark Portugal improved to 10-3 lifetime against the Giants and earned his fifth straight victory for Houston. The Astros got home runs from Jeff Bagwell, Scott Servais and Steve Finley to take two of three games at Candlestick Park.

Mariners 6, Phillies 5: Charlie Hough, 45, allowed five runs in 6 1/2 innings and Byron Harvey recorded his 34th save as Florida beat visiting Philadelphia, taking two of three in the series. The Marlins got homers from Benito Santiago, Henry Cotto and Bret Barberie off Terry Mulholland.

Hough survived home runs by Pete Inge and Mariano Duncan for his first victory over the Phillies since May 7, 1976.

Reds 8, Dodgers 5: Brian Dorsett and Jeff Branson hit two-run singles, and Cincinnati rallied from five runs down with consecutive four-run innings at Dodger Stadium.

Reliever Johnny Ruffin, making his major-league debut, won by pitching a scoreless fifth before the Reds took the lead.

In earlier games, reported in some Monday editions:  
Braves 3, Expos 2: Ron Gant hit a two-run homer and drove in all of Atlanta's runs in support of Steve Avery as the Braves ended a three-game losing streak.

Gant's 27th homer — his second in two games — broke a 1-1 tie in the fifth against Jeff Fassero, ending the left-hander's six-game winning streak. Larry Walker homered and drove in the runs for visiting Montreal.

Cubs 2, Cardinals 1: In St. Louis, winning pitcher Greg Hibbard's first major-league hit drove in Chicago's winning run, and he combined with Randy Myers on an eight-inning, three-game winning streak.

Hibbard was 0-for-37 with no RBIs in his three years before doubling over right fielder Mark Whiten's head to break a 1-1 tie in the sixth. Hibbard allowed seven hits in 7 1/2 innings, and Myers pitched out of jam in the ninth for his 35th save.

Sammy Sosa lead off the sixth with a bunt single and was at second base with two outs when Donovan Osborne intentionally walked Steve Lake. But Hibbard lined the first pitch beyond Whiten, who was playing shallow.

Pirates 3, Mets 2: Zane Smith allowed five hits, and Jeff King drove in the decisive hit with visiting Pittsburgh's fourth straight hit of the fifth inning. Smith had a season-high nine strikeouts in his first complete game since July 1, 1992.

## AL ROUNDUP

Minnesota, 8-6, in 10 innings at the Metrodome on Sunday, while Boston lost at Tiger Stadium.

Don Mattingly hit a two-run homer with one out in the 10th to lift the Yankees. Mattingly had three hits and four RBIs as New York salvaged the last contest of a three-game series.

Steve Farr pitched two innings for the victory, despite blowing a save opportunity in the ninth when the Twins scored the tying run.

With one out in the 10th, Randy Velarde singled off Rick Aguilera and Mattingly followed with his 12th homer, a high fly down the right-field line.

"I feel good about today, but I'll walk right out of here and it's over and it'll be another game," Mattingly said. "We're in a pennant race and I'm trying to be up for that challenge each day."

Brewers 5, Blue Jays 2: Greg Vaughn hit two home runs and also scored after being hit by a pitch, leading Milwaukee over Toronto. The last-place Brewers won two of three at the SkyDome.

Ricky Bones pitched the first complete game of his career, giving up seven hits and striking out four.

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## Nick Price: The Nice Winner

*By Jaime Diaz*  
*New York Times Service*  
NEW YORK — For nearly a decade on the PGA Tour, Nick Price was known as easygoing, megatalented and too nice to know how good he was. And as much as his fellow golfers liked him, they hoped he never found out.

Although he could strike the ball as purely as anyone, Price had the reputation of habitually falling just short. It began when he gave Tom Watson a British Open in 1982 by squandering a three-stroke lead with seven holes to play, and took on added weight when Seve Ballesteros made everything in sight in the final round to nip him by a stroke at the 1988 British Open.

Neither outcome seemed to make Price angry. To all outward appearances, the amiable man who grew up in the former Rhodesia and now lives in Florida did not seem too upset that he didn't win an official tournament from 1983 through 1990.

But inside, it turns out, Price was seething, and he broke the drought with a vengeance when he won two tournaments in 1991. Then, Price came through with the finest performance of his career, winning the 1992 PGA Championship in St. Louis for his first major championship.

That victory, which he will defend when the 75th PGA Championship begins Thursday at the Laverne Club in Toledo, Ohio, changed the way Price is perceived and the way he perceives himself. At 36, he is still the nicest of men, but the worst fears of his peers have been realized.

Very simply, Price has been the best golfer in the world in 1993. He has won four tournaments on the PGA Tour, giving him six victories in the past 11 months, the biggest of which was the Players Championship in March. Most impressively, he has won the last three PGA Tour events he has played in the Canon Greater Hartford Open, the Sprint Western Open, and the Federal Express St. Jude Classic.

If he wins at Inverness, Price will become the first player to win four straight tour events since Jack Burke did it in 1952. Price would also be the first player on the PGA Tour to win five events in a year since Tom Watson won six in 1980.

"I'm realizing a dream here," Price said by phone from his home in Florida last week. "And I just want to hang onto it and keep it going."

Price's performance has carried the authority of virtuosity. He won the Players Championship by five strokes, the Western by five and Memphis by three. He leads the PGA Tour in money winnings with \$1,225,879, in scoring with an average of 68.84, and in total driving, which statistically combines distance and accuracy. Over the 12 rounds of his three consecutive victories, his average is a blistering 67.16.

Price still says Nick Faldo is the best player in the world because of the Englishman's record in major championships over the past four years. But to many, Nick and Nick are running neck and neck. And a victory in Toledo might change even the opinion of the self-effacing Price.

"It's quite weird, in a sense," said Price. "I sometimes think, 'Why is it all happening this way all of a sudden?' But then I realize that it didn't happen in one year. It's the culmination of hard work over a lot of years."

That began when Price, whose parents moved from South Africa to what is now Zimbabwe when

Nick was a child, first realized at 14 that it was possible to make a living playing the game he loved. Three years later, when he won the Junior World in San Diego at the age of 17, his career path was clear.

Price's progress was delayed when he joined the Rhodesian Air Force in 1976. He says the experience was valuable for the toughness and perspective it provided.

"It instilled some discipline and organization," said Price, who still wears his hair short and still loves to co-pilot jets when the opportunity presents itself. "I know for the rest of my life, I'll always have that little bit of military in me, and that is a great thing. It was also the greatest learning experience of my life. Three friends of mine were killed. I learned there was more to life than golf."

Upon leaving the military, Price turned professional and joined the European PGA Tour. He won the Swiss Open in 1980, qualified for the Ryder Cup in 1983, and promptly won the World Series of Golf by four strokes over Jack Nicklaus.

Big things were expected, but instead of progressing, Price got the reputation as a loser. Until 1990, he never won, never finished better than 22d on the money list, and never seemed to make a big putt.

"I might not have shown it, but I was tormented," he said. "It didn't matter how well I played, I would still finish second, third, fourth or fifth. For a long time I questioned my own heart and my own desire. People kept saying, 'He would be so much better if he had a winning instinct.' And I kept on saying, 'Man, I want to win.' It was very hard, because deep down inside of me, I always knew that I had what it took."

In retrospect, impatience more than complacency hurt Price. He does everything quickly — walking, talking, swinging, even smoking a cigarette. With age, which has brought marriage and two children, Price has learned to be patient, and to accept that he is a late bloomer.

With the help of his lifelong friend and coach, David Leadbetter, Price has built a swing that is the minimalist model of the leg-and-torso-driven modern action. With a sports psychologist, Bob Rotella, he has learned how to keep his mind from racing ahead of the shot at hand. And by following his own path of perseverance, he has taught himself how to win.

"One of the things I am doing so well now is I am focusing," he said. "My concentration on my target is so intense. I'm trying to give 110 percent to every shot."

Leadbetter, who has gained fame for his work in helping Faldo develop an ironclad swing, gives Price an edge in terms of producing consistently solid golf shots.

Price will be under more pre-tournament pressure than he has ever faced this week, but he isn't fearing the experience. The same kind of pressure discomfited him at this year's Masters, where he came in off his victory at the Players Championship as the favorite but wound up missing the cut. He chalked that up as a lesson learned.

"When it came down to the crunch, I missed the cut because I got caught up in things and didn't pay attention to what Nick Price was doing on the golf course," he said. "This week, I'm just going to concentrate on getting ball onto fairway, onto green and into hole. Because I know I'm playing well, I can win."

## NL ROUNDUP

do in the fifth, scoring before Daryl Boston was thrown out trying to steal second, completing an inning-ending double play.

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Reds 8, Dodgers 5: Brian Dorsett and Jeff Branson hit two-run singles, and Cincinnati rallied from five runs down with consecutive four-run innings at Dodger Stadium.

## Mize Catches Zoeller for Buick Victory

*Reuters*  
GRAND BLANC, Michigan — The former Masters champion Larry Mize quickly overcame a four-shot deficit, then hung on for a one-stroke victory over Fuzzy Zoeller at the Buick Open.

Mize sank a six-foot (two-meter) putt for par on the final hole to avoid a playoff on Sunday in this final warm-up for this week's PGA Championship.

Mize passed Zoeller, the overnight leader, after only five holes at Warwick Hills Country Club. But it was close thereafter and

several players drifted into and out of contention.

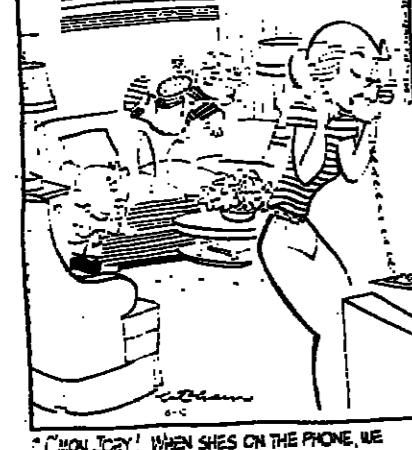
Greg Norman, fresh from winning the British Open last month, parred the front nine then stormed into contention with seven birdies on the back nine for a seven-under-par 65, in nine for a seven-under-par 65, in a promising January for the year's final Grand Slam event, which starts Thursday.

But Norman finished third, two strokes behind Mize, who won his second title of the year with a 16-under 72. He shot 68 to Zoeller's 73 on Sunday.

Mize appeared to have a relatively easy two putts for victory at the final hole. But he struck a dreadful first putt from 25 feet that came up short, leaving the Georgian to sweat over his next putt, which he pulled slightly but still managed to sneak in the side door.

"Mize's victory elevated him to 11th in the U.S. Ryder Cup standings. The top 10 players after the PGA Championship qualify for the American team, while captain Tom Watson will pick two others."

### DENNIS THE MENACE



**JUMBLE** THAT SCRAMBLED WORD GAME

Unscramble these four jumbles and write the answers in the boxes below.

TUXEL

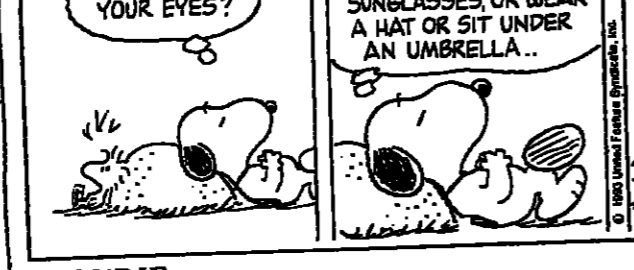
TAGOL

HECARB

FATOLA

Print answers here: \_\_\_\_\_

### PEANUTS



### BLONDIE



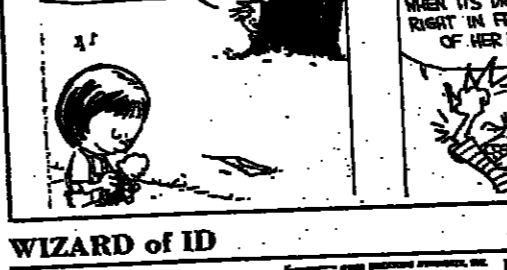
### BEEBLE BAILEY



### DOONESBURY



### CALVIN AND HOBBES



### WIZARD OF ID



### REX MORGAN



### GARFIELD



To our readers in France  
It's never been easier to subscribe  
and save with our new toll free  
service.  
Just call us today at 05-437-437







ART BUCHWALD

The Price of Politics

WASHINGTON — More women are being appointed to the government than ever before. On paper, working for the present administration is a great idea, but it has its drawbacks, particularly if you are a lady and come from the old school of dating.



The problem is that anyone who works for the federal government can be entertained only to the tune of \$25 once a year. With restrictions like this, it is obvious that the Washington playing field is uneven for women.

Deborah Kleiman of the Environmental and Shallow Water Deep Sea Fishing Department told me how serious the restriction is. "I met this guy Tom from the Washington Post. He is the paper's swordfish editor, so we had a lot in common. He took me to lunch, and when the check came he grabbed it."

Jurassic Park

LOS ANGELES — "Jurassic Park" has grossed more than \$400 million worldwide less than two months after its release. Universal Studios' dinosaur thriller took in more than \$287 million after 57 days in the United States and \$170 million in foreign countries where, in most cases, the film has played for less than a month.

take me to dinner anymore?" I asked him. "He answered, 'Or the movies or a rock concert. The only way we can see each other is if we go Dutch.'"

I agreed. "That's exactly what the Wall Street Journal would do about Tom?" Deborah replied. "I had no choice. I started dating other guys. When I used up their \$25, I dumped them and found somebody else. I'll tell you something, with these entertainment restrictions, it's hard to keep a lasting relationship."

"Well, that's the price you have to pay for a government appointment," I told her. "I think the men in Washington are just taking advantage of a situation. What I resent the most is when they tell me how much my share of the Caesar salad is. I want to serve my country. At the same time, how do I know if a guy likes me or not if he won't pay for my dinner?"

"Perhaps the Clinton people don't want you going out with guys — particularly those who are only interested in buying you meals in exchange for getting your support on fishing matters." "I can't be bought with a plate of smoked salmon!" Deborah exclaimed. "You might not — but there are plenty of women in government who would be if it weren't for the ethics rules," I said. Deborah asked, "By the way, are you buying me this meal?" "Are you crazy? Your 25 bucks were up last Thursday."

Secrets of Filming 'The Secret Garden'

By Matt Wolf

LONDON — He gave shape to 80 years of Indian history in "Gandhi" and fashioned the elegant decor in "Dangerous Liaisons." For each he won an Academy Award. But in his new film, the production designer Stuart Craig faced a particularly difficult task — finding ways to make "The Secret Garden" fresh.

The source material, of course, is Frances Hodgson Burnett's beloved story of an orphan whose discovery of a hidden and neglected garden fills her deathly world with life. Published in 1911, the book has spawned adaptations as varied as a Margaret O'Brien film in 1949, a BBC children's special in 1975 and a 1991 Broadway musical.

The current version, from Francis Ford Coppola's film company American Zoetrope, was directed by the Polish filmmaker Agnieszka Holland ("Europa, Europa") with a cast including Maggie Smith as the housekeeper and a group of young unknowns. Craig, accordingly, knew that the secret garden itself — indeed, the entire look of the movie — must function as a whole thing had to be raised "to film such a delicate book."



Kate Maberly as Mary Lennox in "The Secret Garden": Brontë territory turned up a notch.

whole thing had to be raised "to film such a delicate book."

Craig said that Holland tried to avoid anything that might seem visually twee. "She was very aware of not delivering that Edwardian England we're all so familiar with," he said. "Her antennae were really twitching and smelling that out."

The aim was to resist a picture-postcard quality in favor of a heightened reality. "This is a story about something very real," Holland said. "Yorkshire is Yorkshire; the garden is a garden. You want something symbolic without becoming too theatrical." The goal was an unselfish re-imagining of potentially dew-drenched material, and for that the filmmakers chose Pinewood Studios, north of London. "I needed strong, simple shapes," Craig said, "and the only way to achieve that was to build a set."

White, speaking from his nursery in Ross-on-Wye, Herefordshire, said 17,200 pots of annuals and grasses were used in the film. Choices like larkspur, love-in-the-mist and asters were made, Whittle said, "because they would have appealed to children." There were about 1,200 perennials and 4,000 wild geraniums, foxgloves and the like, as well as artificial ivy mixed with the real thing. Five hundred live roses were supplemented, he said, with thousands of artificial ones.

Bracken, a weedy fern, was put in formaldehyde and killed so that the live ferns for summer scenes could be replaced with dead ones needed for winter. "I avoid killing things unnecessarily," Whittle made clear.

Due to a mixture of uncooperative weather and delays in filming, Whittle spent about \$180,000 creating the garden. Craig said a "handsome" amount of the \$18 million budget of "The Secret Garden," which opens in the U.S. this week, went toward the production design. Research was limited to books on some of "the more architectural, more structured French gardens," he added, but even that was kept to a minimum. "I'm not sure we got the idea from any visual reference. Part

of the metaphor anyway is that you want it to be wild; the house is a prison, so you want to escape into the wilderness."

Recreating Misselthwaite Hall had its own challenges, from sleeping quarters to suits of armor. While both children's enormous beds look like antiques, they were, in fact, built for the movie.

Roy Burton, the fine producer and now managing director of Warner Brothers U.K., said that what appears on film as Misselthwaite Hall is an amalgam of 18 locations. Exterior filming took place at three sites — Fountains Abbey, a 12th-century National Trust property in north Yorkshire that once belonged to Henry VIII; nearby Allerton Hall, a privately owned neo-Gothic stately home; and Luton Hoo, an 18th-century Robert Adam house in Bedfordshire, north of London. The interior of Misselthwaite used a similar potpourri of locations. The kitchen was, in fact, an old classroom at Eton College. With its grand Jacobean fireplace, a room off the master's common room at Harrow School doubled as the study of Lord Craven (John Lynch), the master of Misselthwaite and Mary's uncle. And that character's climactic emotional outburst was shot on a marble staircase at the school.

Matt Wolf, an American theater critic and journalist based in London, wrote this for The New York Times.

PEOPLE

Quayle to Take a Crack At Working a Real Job

Don Quayle says he's going to take a shot at working for a living — at least until he decides whether to run for president. "I've been talking about the free enterprise system and entrepreneurship for 16 years in public life, and now I'm going to go out and try a lick of it," Quayle told the Indianapolis Star. The former vice president will head an Indianapolis-based financial services company and will be expected to "speak up," he said.

Their earnings are all over the world for Madonna. More than \$2,000 tickets for her Madonna concert were sold Monday in just 80 minutes, prompting promoters to schedule a second show. Madonna will appear on Nov. 26 and 27. In Mexico City, 30,000 tickets were sold out in just six hours for her Nov. 10 concert there, again prompting a second concert Nov. 12.

The soprano Montserrat Caballé, is out of the hospital, but her doctors' associates told her to slow down. Caballé, 60, was hospitalized last week with a minor heart problem. And another celebrity might be out of the hospital soon, said Federico Fellini, 73, may be able to leave the hospital later this week. He was partially paralyzed by a stroke last week.

Bruce Lee's reading glasses sold for \$6,000, his Hong Kong driver's license \$8,000, and a handwritten note to himself in which he predicted he would become a superstar \$39,000 at a Beverly Hills auction.

Best Reynolds has been telling his side of the story to the National Enquirer. Now his wife Lou Anderson is telling hers — to Good Housekeeping magazine. She says their five-year marriage is definitely over, but as for why he sought the divorce, she says, "I didn't have a clue. I still don't." She adds, "But's last words to me were 'You are the love of my life.'"

INTERNATIONAL CLASSIFIED Appears on Page 15

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



Table with weather forecasts for Europe, North America, Middle East, Latin America, and Oceania. Columns include location, high/low temperatures, and weather conditions.

Asia

Table with weather forecasts for various Asian cities including Bangkok, Hong Kong, Manila, New Delhi, Singapore, and Tokyo.

Africa

Table with weather forecasts for African cities including Algiers, Cape Town, Durban, Harare, Lagos, and Nairobi.

North America

Table with weather forecasts for North American cities including Anchorage, Atlanta, Boston, Chicago, Dallas, Denver, Detroit, Houston, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Francisco, Seattle, and Vancouver.

CROSSWORD

ACROSS 1 Home of ancient Insh lungs 2 Reduce drastically 3 Singaradya's island 4 Author Paton 5 Spend foolishly 6 Whiffenpoofs 7 Start of a quip 8 Type of mining 9 Quip: Part II 10 E.M.K. is one 11 Otherwise 12 Word with try or potatoes 13 Tock part in a regatta 14 One held for ransom 15 Bench warmers, for short 16 Wastey expense 17 A spouse 18 II-It 19 End of the quip 20 Earth, to Hans 21 He wears a conical cap 22 Oniment source 23 Not so much 24 Prefix with posse 25 File's partner 26 Down 27 Pack firmly 28 Jai 29 Carry on verbally 30 Which ever 31 Faints 32 Good-sized 33 Takes the lion's share 34 'Tis on — francas' 35 Trig function 36 Dug for quahogs 37 Some rime 38 In that place 39 Manipulates 40 Brooklyn 41 Client's cost 42 Quinine 43 Fr. holy women 44 ... betis on ... toes 45 Turned into 46 Sleeper's topper 47 Captives of Nord 48 Formed into 49 Lacedaemon 50 Senor's sibling 51 Pursue 52 Perrins 53 Shacks 54 Tennis great 55 Homophone for bin 56 Giant or dwarf of folklore 57 Positive thinking exponent 58 Autumn 59 Geotic 60 Feet pain 61 Fourth person 62 Balltop's ballwick 63 Pigeon for Gainsborough 64 Spruce 65 After that time 66 As Left 67 Post Walker 68 Mares 69 Niche occupant 70 Docile; gentle 71 Doc's 451 72 Prod for payment 73 Auditory appendage

Crossword puzzle grid with clues and a solution to a puzzle from August 9.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T Access Numbers table listing international phone numbers for various countries and regions.